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Report No: PAD5482

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED LOAN

IN THE AMOUNT OF US\$40 MILLION

TO THE

DOMINICAN REPUBLIC

FOR A

SUPPORT FOR THE IMPLEMENTATION OF THE PUBLIC ADMINISTRATION REFORM
AND MODERNIZATION PLAN PROJECT

OCTOBER 31, 2023

Governance Global Practice
Latin America And Caribbean Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective October 8, 2023)

Currency Unit = DR peso (DOP)

DOP 1 = US\$ 0.018

US\$1 = DOP 56.55

FISCAL YEAR

January 1 - December 31

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ABBREVIATIONS AND ACRONYMS

CBA	Cost-Benefit Analysis
CC-LTS	Climate Change Long Term Strategy
CMM	Cybersecurity Capacity Maturity Model
CNC	National Competitiveness Council (<i>Consejo Nacional de Competitividad</i>)
CNCS	National Cybersecurity Center (<i>Centro Nacional de Ciberseguridad</i>)
CPF	Country Partnership Framework
CRMAPP	Inter-Ministerial Committee for Reform and Modernization of the Public Sector (<i>Comisión de Reforma y Modernización de la Administración Pública</i>)
DIGEIG	General Directorate of Government Ethics and Integrity (<i>Dirección General de Ética e Integridad Gubernamental</i>)
DR	Dominican Republic
EA	Enterprise Architecture
ENHOGAR	Household Survey (<i>Encuesta Nacional de Hogares de Propósitos Múltiples</i>)
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESS	Environmental and Social Standard
EWMP	E-Waste Management Plan
FM	Financial Management
GDP	Gross Domestic Product
GHG	Greenhouse Gases
GRS	Grievance Redress Service
IBRD	International Bank for Reconstruction and Development
ICT	Information and Communications Technologies
ID4D	Identification for Development
IDB	Inter-American Development Bank
IFR	Interim Financial Reports
IMF	International Monetary Fund
IPF	Investment Project Financing
IRR	Internal Rate of Return
M&E	Monitoring and Evaluation
MAP	Ministry of Public Administration (<i>Ministerio de Administración Pública</i>)
MAP-VMSP	Vice-Ministry of Public Services (<i>Viceministerio de Servicios Públicos</i>)
MIC	Ministry of Industry and Commerce (<i>Ministerio de Industria y Comercio</i>)
MINPRE	Ministry of the Presidency (<i>Ministerio de la Presidencia</i>)
NSD	National Strategy for Development
OECD	Organization for Economic Cooperation and Development
OGTIC	Office for Information and Communication Technology (<i>Oficina Gubernamental de Tecnologías de Información y Comunicación</i>)
PDO	Project Development Objective
PIU	Project Implementation Unit
POM	Project Operational Manual
PPSD	Project Procurement Strategy for Development
SEP	Stakeholder Engagement Plan
SISMAP	Public Administration Monitoring System (<i>Sistema de Monitoreo de la Administración Pública</i>)
VUI	Investment One-stop Shop (<i>Ventanilla Única de Inversión</i>)
WB	World Bank



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DATASHEET

BASIC INFORMATION

Country(ies)	Project Name	
Dominican Republic	Support for the Implementation of the Public Administration Reform and Modernization Plan	
Project ID	Financing Instrument	Environmental and Social Risk Classification
P180302	Investment Project Financing	Moderate

Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
28-Nov-2023	31-May-2029

Bank/IFC Collaboration

No

Proposed Development Objective(s)

To improve the efficiency, accessibility, and responsiveness of selected administrative services for citizens and businesses.



Components

Component Name	Cost (US\$, millions)
Enabling environment for better administrative services	6.50
Coordination and interoperability	12.20
Modernization and innovation in service delivery	12.50
Capacity building and project management	8.80

Organizations

Borrower: Dominican Republic
 Implementing Agency: Ministry of Public Administration (MAP)

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	40.00
Total Financing	40.00
of which IBRD/IDA	40.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	40.00
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Expected Disbursements (in US\$, Millions)

WB Fiscal Year	2024	2025	2026	2027	2028	2029
Annual	1.00	7.60	11.00	11.00	7.60	1.80
Cumulative	1.00	8.60	19.60	30.60	38.20	40.00



INSTITUTIONAL DATA

Practice Area (Lead)

Governance

Contributing Practice Areas

Digital Development, Finance, Competitiveness and Innovation

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	● Moderate
2. Macroeconomic	● Moderate
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Moderate
5. Institutional Capacity for Implementation and Sustainability	● Substantial
6. Fiduciary	● Moderate
7. Environment and Social	● Moderate
8. Stakeholders	● Moderate
9. Other	
10. Overall	● Moderate

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any waivers of Bank policies?

Yes No



Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
Cultural Heritage	Not Currently Relevant
Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants

Sections and Description

Schedule 2. Section I.A.1(a) No later than three (3) months after the Effective Date, the Borrower, through MAP, shall establish and, thereafter, operate and maintain throughout Project implementation a Project Implementation Unit (“PIU”) with structure, functions, responsibilities, and staffing acceptable to the Bank, as set forth in the Operational Manual.

Sections and Description

Schedule 2. Section I.A.1(b) No later than three (3) months after the Effective Date, the Borrower, through MAP, shall hire or appoint, as applicable, and at least, the following staff members as part of the PIU: (i) a Project manager; (ii) a financial management specialist; (iii) a procurement specialist; (iv) an environmental and social specialist; (v) a monitoring and planning specialist; and (vi) a communication specialist, all with qualifications and experience acceptable to the Bank, as set forth in the Operational Manual.



Sections and Description

Schedule 2. Section I.A.2. No later than three (3) months after the Effective Date, the Borrower, through MAP, shall ensure that CRMAP initiates the provision of strategic guidance to the Project, including, inter alia, offering recommendations on work plans, advising to manage inter-agency coordination issues, reviewing the progress achieved, fostering positive and timely communication about project progress, and assisting in building support for the reforms. The functions, roles, and responsibilities of CRMAP and the frequency of its meetings will be established in the Operational Manual.

Sections and Description

Schedule 2. Section I.A.3(a) No later than three (3) months after the Effective Date, the Borrower, through MAP, shall enter into an agreement with the Participating Institutions (“Inter-institutional Agreement”), all under terms and conditions acceptable to the Bank, which shall include, inter alia: (a) the obligation of the Participating Institutions to assist and collaborate with MAP in the implementation of the Project; (b) the establishment of the technical requirements and specifications for the activities financed by the Project, when applicable; (c) the obligation of the Participating Institutions to review consultants and vendors outputs, as applicable; (d) the description of responsibilities and roles for the acceptance and testing of IT software and hardware procured under the Project; (e) the use and supervision of Project products and solutions; and (f) the obligation to comply with the Anti-Corruption Guidelines; all in a manner acceptable to the Bank and in accordance with the terms of this Agreement, the Operational Manual, and the ESCP.

Sections and Description

Schedule 2. Section I.A.4. No later than six (6) months after the Effective Date, the Borrower, through MAP, shall create, and thereafter maintain throughout each calendar year of Project implementation, specific budget lines entries in the national annual budget to keep track of the corresponding Eligible Expenditures financed out of Loan proceeds incurred during Project implementation.

Sections and Description

Schedule 2. Section I.A.5. The Borrower, through MAP, shall, and shall cause the Participating Institutions to, ensure that the collection, use, and processing (including transfers to third parties) of any Personal Data collected and processed under this Project shall be done in accordance with the best international practice, ensuring legitimate, appropriate, and proportionate treatment of such data.

Conditions

Type	Financing source	Description
Effectiveness	IBRD/IDA	Article IV. 4.01. The Borrower, through MAP, has developed and adopted the Project Operational Manual (“POM”) in form and substance satisfactory to the Bank.



I. STRATEGIC CONTEXT

A. Country Context

- 1. The Dominican Republic (DR)'s economy has grown rapidly in the last decade, but it remains vulnerable to economic shocks.** Between 2013 and 2019 DR's economy grew at an annual average rate of over five percent, ranking as the third most dynamic economy in Latin America and the Caribbean (LAC). However, growth was primarily driven by capital accumulation and remittances, accounting for 11.3 percent of Gross Domestic Product (GDP), rather than productivity gains and institutional development. The COVID-19 pandemic led to a contraction in GDP per capita of 7.5 percent in 2020, the biggest drop experienced in thirty years. Increased pressure on public finances limited space for long-term post-crisis economic recovery and macroeconomic stability. A decline in tax revenue and increase in public expenditure led to a Central Government deficit of 7.6 percent of GDP in 2020 and consolidated public debt grew to 70.3 percent of GDP.
- 2. Growth is expected to decelerate from 4.9 percent in 2022 to 3.1 percent in 2023 as domestic investment and consumption remain weak, and high input costs impact manufacturing and construction.** On the sectoral side, industry and construction contracted, affected by elevated borrowing costs and high input prices, while the hotels, bars, and restaurants sector expanded by 14.2 percent in 2023Q1, cushioning the economic slowdown. In fact, the country recorded 4.5 million arrivals, with a year-on-year growth of 15.9 percent in the first semester of 2023 (2023S1). Remittances grew 3.3 percent in 2023S1, showing a stabilization of inflows above pre-pandemic figures. As a result, the 2023Q1 current account deficit (CAD) narrowed to 2.8 percent of GDP, down from 4.5 percent of GDP in 2022Q1, financed by robust FDI and increased long-term capital inflows. Reserves rose to 13.2 percent of GDP by June 2023, up from 12.7 percent of GDP in 2022.
- 3. Poverty has declined consistently since 2013, but the reduction is below what would be expected given the sustained level of growth.** The poverty rate (defined as less than US\$5.5/day) peaked at 55 percent of the population in 2004 falling to 12 percent in 2019, while the middle class (incomes between US\$13 and US\$70/day) expanded from 25 to 42 percent and the Gini Coefficient fell from .51 to .43. However, the vulnerable population (incomes between US\$5.5 and US\$13/day) has remained flat at 44 percent, and so more than half the population is either in poverty or at risk of falling back into it. The 2022 Household Survey (*Encuesta Nacional de Hogares de Propósitos Múltiples*, ENHOGAR) reports that women are especially vulnerable: while women are heads of households in 40 percent of cases (versus 60 percent of men), these households are mostly single-parent households (35 percent) or multi-generational households (20 percent). During the COVID-19 pandemic poverty increased to 23.8 percent in 2021 and extreme poverty increased from 2.6 percent in 2019 to 3.1 percent in 2021.
- 4. Coverage of basic services has expanded over the last twenty years but improvements in outcomes have trailed, particularly for vulnerable groups.** Primary school completion rates increased from 72 percent in 2000 to 95 percent in 2018 and upper secondary completion rates increased from 39 percent to 64 percent over the same period. However, the Program for International Student Assessment (PISA) reports that only 21 percent of 15-year-old students reached at least minimum proficiency in reading and only 9 percent achieved it in mathematics in 2018. While child mortality declined from 41 deaths of under-five children per 1,000 births in 2010 to 20 deaths in 2020, mortality rates are now three times higher for the poorest quintile than they are for the wealthiest quintile (42 versus 17 deaths per 1,000 births). According to the 2021 Human Capital Index, the future productivity of a child born into the richest 20 percent of households is 66 percent while it is 53 percent for a child born in the poorest 20 percent, a gap of 13 percentage points. These differences can be explained in part by the decision of those that can afford private education and health services to opt out of public services. Latinobarometro surveys indicate that about half of the users of public services are satisfied (education 55 percent and health services 45 percent in 2016), but they also reveal that many survey respondents consider the education and health systems to be unjust (41 percent and 55 percent respectively in 2020).



5. **DR is extremely vulnerable to climate-related events and is seeking to reach net zero emissions by 2050.** Due to its geographical position and island status, the country is highly vulnerable to various natural shocks including hurricanes, storms, flooding, landslides, droughts, and wildfires. Excluded and poor people are often disproportionately impacted by climate change and disasters as they often live in the most vulnerable and risk exposed areas. DR was the 10th most-affected country by natural hazards over 1997-2016 according to the 2018 Global Climate Risk Index, with hurricanes and tropical storms recurrently causing high human and economic losses. Annual Average Loss (AAL) from hurricanes to the country's building stock is estimated to be US\$345 million (0.48 percent of GDP) and between 1960-2017 direct and indirect costs associated to disasters were estimated at US\$8.61 billion (2015 dollars). Hurricane such as Fiona in September 2022 with strong winds of 150 km/h and heavy rains affected over 1.4 million people. Natural hazards have led to loss of continuity in government services (for example, power outages, interrupted telecommunications, and suspended schools and health services) and triggered demand for post-disaster government assistance. Climate change is projected to increase the frequency and intensity of natural hazards. The main climate change impact channels could result in a loss to GDP of up to 16.7 percent by 2050. This shows the urgent need to build institutional capacity to manage DR's exposure to climate shocks, including geographically disaggregated data on risk, vulnerability and loss and damages. DR has committed to reach net-zero emissions by 2050 but its emissions are still growing – with 2015 being 18 percent higher than 2010. A key part of achieving its net-zero goal will be increasing the efficiency of energy use, as well as better monitoring and reporting on emissions sources.

6. **The National Strategy for Development 2030 (NSD) seeks to achieve high-income status by 2030 through structural reforms supporting increased productivity, including investment in innovation, economic clusters, and improved public services that will address social and territorial inequality and poverty.** The National Multi-Year Public Sector Plan 2020-24 (*Plan Nacional Plurianual del Sector Público*, NPSP) endorses the NSD, defines cross-cutting themes (gender, territory, participation, sustainability, transparency and accountability, affirmative actions for vulnerable groups, and digital transformation) and identifies 33 government priorities. These priorities include public administration reforms encompassing state modernization, digital transformation, combatting corruption, and local development.

B. Sectoral and Institutional Context

7. **DR's public administration is characterized by fragmentation, a bureaucratic culture, and a weak performance orientation.** The central government comprises 23 ministries with over 300 dependent agencies. These institutions tend to operate in silos, putting in place programs, regulations, and business processes without considering the requirements of other government agencies. Overlapping mandates and weak information systems hinder policy coordination across institutions at the center of government. Law 41 of 2008 empowered the Ministry of Public Administration (*Ministerio de Administración Pública*, MAP) to regulate institutional mandates and administration practices, established a merit-based career public service, and provided for a Public Administration Monitoring System (*Sistema de Monitoreo de la Administración Pública*, SISMAP). However, MAP has made limited progress in rationalizing the public administration and harmonizing practices. Between 2012-19 DR scored slightly below the LAC average on the Inter-American Development Bank's (IDB) Civil Service Development Index, largely on account of inadequate workforce planning, limited management capacity and the high proportion of politically appointed officials in senior positions. Civil servant career structures and remuneration make it difficult to attract and retain staff with scarce, marketable skills, qualifications, and experience in areas such as information technology, project management, and programming.

8. **DR is one of the most centralized administrations in LAC: local governments have limited functional mandates, resources, and capacity.** DR's subnational administration comprises 31 provinces and one national district, which in turn are subdivided into 158 municipalities and further sub-divided into 235 municipal districts. The number of municipalities has increased in recent years through the elevation of municipal districts to municipalities and municipal separations. Almost 60 percent of the municipalities and municipal districts have less than 10,000 inhabitants. This level of fragmentation hinders the efficient provision of services and the development of management capacity. While successive



governments have expressed their intention to strengthen local governments and decentralize functions and resources, and increase local government own-source revenues, functional mandates and transfers remain very limited. Local governments are responsible for only minor administrative services such as low risk environmental certificates. Most administrative services can only be accessed through institutions based in Santo Domingo. This significantly increases transaction costs for 68 percent of the population living outside of the capital.

9. **Survey data points to burdensome regulations and widespread corruption linked to the delivery of administrative services.** The 2019 World Economic Forum Global Competitiveness Report based on executive opinion surveys ranked DR 108 out of 141 countries for burden of government regulations. The 2022 World Justice Project Index based on both expert and household surveys presents similar results, ranking DR 116 out of 140 countries globally (36 out of 42 income peers) on the extent to which administrative proceedings are conducted without unreasonable delay and 130/140 (40 out of 42 income peers) on the extent to which regulations are fairly and effectively implemented and enforced. Only 6.1 percent of firms responding to the 2016 Enterprise Survey identified business licensing and permits as a major constraint as compared with a LAC average of 20 percent. These firms reported that 7 percent of senior management's time was spent dealing with the regulatory requirements compared with a LAC average of 12.6 percent. However, 18.6 percent of the same firms identified corruption as the biggest obstacle they faced. Corruption is associated with the delivery of administrative services: 18.6 percent of firms reported that they were required to give a bribe to secure an operating license (as compared with an average of 8.6 percent for LAC), 7.1 percent for import license (2.4 percent in LAC) and 13.5 for a construction license (12.2 percent in LAC). Firms also highlighted the uneven application of regulations, with 48 percent of firms citing the practices of businesses operating in the informal sector as a major constraint on their business. The Latinobarometro 2020 survey corroborates widespread concern with corruption beyond the business sector: 55.4 percent of respondents perceived that corruption has grown in the last 12 months, and 22.3 percent of respondents reported that they or a family member had directly experienced an act of corruption.

10. **Inefficient processes hinder the delivery of administrative services.** The total number of administrative services — encompassing identification, licenses, permits, and access to entitlements of physical services — in DR is unknown. There are at least five different catalogs or registers of administrative services in which the total number of services is over 1,500. While the Constitution requires public consultation prior to the approval of subordinate regulations, an OECD survey of DR's Regulatory Impact Assessment practices concludes that stakeholder engagement is not systematic and rarely informs regulation. Consequently, services users have little voice in the design, implementation, and monitoring of administrative services. Many services are unnecessarily complicated, and most require manual and in person processing. This imposes significant costs on citizens and businesses in terms of time dealing with bureaucracy, travel costs and operating delays. A 2019 study covering 1,873 administrative services provided by 43 public institutions estimated that it takes an average of 37 days to complete an administrative service and involves an average of ten public servants. Administrative services are particularly burdensome in sixteen institutions—including the Ministries of Health and Education—that impact large segments of the population. Cumbersome processes waste time and resources for all users and contribute to administrative errors, irreconcilable data, and siloed data storage within the public sector. Furthermore, coverage of some foundational administrative services is poor: UNICEF reports that 12 percent of the population does not have a birth certificate and the National Statistics Office (*Oficina Nacional de Estadística*, ONE) reports that 7 percent of the population did not have an identification document in 2018. The absence of identification documentation poses a significant challenge when accessing a wide range of public and commercial services.

11. **Few administrative services can be processed online, and the use of digital services is limited.** DR ranks 81 out of 193 countries on the 2022 UN Online Services Sub-Index which measures the scope of services available online. A Digital Government Network (*Red de Gobierno Electrónico de América Latina y el Caribe*, Red GEALC) survey carried out in 2018 notes that only 14.5 percent of public administrative services are end-to-end digital services in DR. Consequently, citizens and businesses must travel to get to public agencies, stand in queues in service centers, and often pay multiple



visits to different agencies to collect and submit documents and make payments when accessing administrative services. The 2022 Household Survey (*Encuesta Nacional de Hogares de Propósitos Múltiples*, ENHOGAR) reveals that only 20 percent of internet users obtain information from or interact with public institutions online and 14 percent obtain services or make payments to government institutions online. This contrasts with the 76 percent that used the internet to access social media. The Government's Digitalization Strategy argues that the limited use of digital services is largely due to lack of user-friendly design, requirements for in-person processing, poor mobile adaptability and limited internet access among lower income and vulnerable groups.

12. Most Dominicans access the internet using smart phones but there is significant variation in access across income groups. The Dominican Institute of Telecommunications (*Instituto Dominicano de las Telecomunicaciones*, INDOTEL) reports that there are 30.6 fixed line internet connections for every 100 households, with notable regional variations in coverage: 71 percent of households have fixed line access in the capital but less than 10 percent of households have fixed line access in 9 of the 32 provinces. The recent expansion of mobile broadband in DR to near universal coverage of 3G and 4G has led to a significant increase in the overall numbers of Internet users. ENHOGAR 2022 reveals that while just 20 percent of the population have access to a computer, 80 percent have access to a smart phone. There is significant variation in use of the internet across socio-economic groups: 84 percent of the population are internet users, ranging from 65 percent for those in the lowest quintile to 95 percent in the highest. Almost all internet users (95 percent) use a smartphone as compared with just 22 percent using a laptop or desk computer. There is however no significant difference between men and women in term of internet usage. Notwithstanding the elevated levels of mobile penetration there are still two significant constraints to the expansion of digital services for low-income and vulnerable groups. First, broadband access is expensive: DR ranked 34th out of 65 countries for fixed broadband affordability and 42nd for mobile broadband affordability, below the OECD average in both cases, and so most smartphone users have basic packages with limited data. Second, most of the population has limited digital skills: ENHOGAR 2022 reveals that only 30 percent of the population has basic digital skills and dropping to just 5 percent among the low- and very low-income population.

13. Some public institutions have developed service centers and one-stop-shops where users can seek assistance in completing administrative services, but these solutions offer a limited range of services. In 2012, the ICT Government Office (*Oficina Gubernamental de Tecnologías de Información y Comunicación*, OGTIC) established the first Citizen Service Center (*Centro de Atención al Ciudadano*, commonly referred to as *Punto GOB*). Puntos GOB sought to bring together various administrative service providers in a single location as a service “supermarket”. There are now three Puntos GOB, all of them in Santo Domingo, which have proved very successful. From August 2020 to March 2022 Puntos GOB served 685,334 citizens (female and male citizens in equal proportion) accessing 2,388,120 administrative services. Over 95 percent of users expressed satisfaction with the services provided. However, Puntos GOB offer just 65 services and these services are not integrated: users need to engage with representatives of each institution to access the services that the institution offers. This lack of integration poses a significant challenge to the expansion in the range of services and geographical coverage. Various specialized one-stop shops have been established to reduce transaction costs for specific business services. The Export and Investment Center (*Centro de Exportación e Inversión*, CEI-RD) operates an investment one-stop shop (*Ventanilla Única de Inversión*, VUI); the National Competitiveness Council (*Consejo Nacional de Competitividad*, CNC) and the Customs Office (*Dirección General de Aduanas*) operate a trade one-stop-shop; while the Chamber of Commerce and Production of the Municipality of Santo Domingo (*Cámara Comercio y Producción Santo Domingo*) and the Ministry of Industry and Commerce (*Ministerio de Industria y Comercio*, MIC) operate a business registry one-stop-shop. These initiatives operate independently, resulting in a fragmented business service structure.

14. The Government has yet to put in place the foundations for system integration and needs to further strengthen its data protection and cybersecurity framework. According to OGTIC's Use of Information and Communication Technology (ICT) and Electronic Government Index, half of public entities in DR do not have organizational, legal, or



technical interoperability arrangements. Of those that do have some type of interoperability arrangement, only 20 percent have been certified with the government interoperability standard. Law No. 172-13 protects personal data stored in files, public records, data banks, or other technical means of data processing. This regulation is mainly related to credit information and therefore does not address all personal data protection dimensions. Additionally, there is no governing body that comprehensively oversees the protection of this fundamental right. The General Directorate of Government Ethics and Integrity (*Dirección General de Ética e Integridad Gubernamental*, DIGEIG), the freedom of information, transparency and open government governing body that reports directly to the President, has incorporated oversight of data protection into its mandate, but it does not have the technical and institutional capacities to undertake this function. According to the Oxford University's Cybersecurity Capacity Maturity Model for Nations (CMM), DR is the seventh most advanced LAC country in terms of its cybersecurity framework with the most comprehensive legal and regulatory framework in the region. CMM identifies, however, critical infrastructure protection, user trust in digital services, and standards as areas for improvement. The National Cybersecurity Center (*Centro Nacional de Ciberseguridad*, CNCS) was created in 2018 as the governing body of the cybersecurity ecosystem in the DR. Decree 313 of 2022 approved a National Cybersecurity Strategy 2030 (*Estrategia Nacional de Ciberseguridad 2030*) that seeks to strengthen the institutional and regulatory framework, educate citizens, and promote a cybersecurity culture.

15. **Several initiatives have sought to drive a whole-of-government approach to administrative services, but these have struggled to achieve scale.** In 2010 an initiative led by the MAP empowered by Presidential Decree 211 of 2010, made service charters—with minimum standards for administrative services—compulsory for all public institutions. However, less than 10 percent of institutions complied, and MAP's yearly review reveals that many of the charters that were adopted are no longer applicable today. More recently, the CNC has focused on eliminating barriers that limit the possibilities of developing the country's competitive capacity, with the simplification of administrative services as a flagship initiative. However, the lack of technical capacity required to reengineer line agencies' business processes and the exacting challenges of driving a coordinated, whole-of-government approach to administrative services have hindered rapid progress.

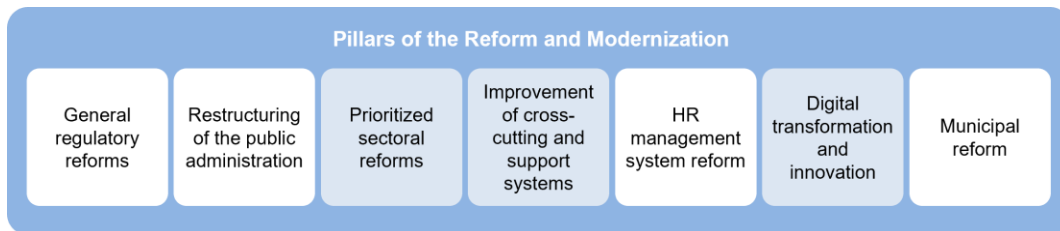
16. **Recent legislation has strengthened the MAP and established the organizational framework for a whole-of-government approach.** Law No. 167-21 for Regulatory Improvement and Simplification of Services (*Mejora Regulatoria y Simplificación de Trámites*) from August 2021, and Decree 486-22 from August 2022 set out the procedures and rules that govern the provision of administrative services in DR. An Inter-Ministerial Committee (*Comisión de Reforma y Modernización de la Administración Pública*, CRMAP), chaired by the Minister of Public Administration, oversees and leads the Public Administration Reform and Modernization Plan. Presidential Decree 149-21 designates MAP's office of the Vice-Ministry of Reform and Modernization (*Vice Ministerio de Reforma y Modernización*, MAP-VRM) as the entity responsible for implementation of the reform program, in coordination with the Presidency and the Inter-Ministerial Committee. A Vice-Ministry of Public Services (*Viceministerio de Servicios Públicos*, MAP-VMSP) is charged with setting administrative service standards, guiding the process of administrative simplification and coordinating implementation across the whole-of-government. Law No. 167-21 also established the National Observatory for the Quality of Public Services (*Observatorio Nacional de la Calidad de los Servicios Públicos*) within MAP-VMSP as a virtual space for participation, designed to observe, investigate, and analyze the quality of public services from the institutional and citizen perspective. Presidential Decree No. 640-20 established the Efficient Government Program (*Programa Gobierno Eficiente*), subsequently renamed Zero Bureaucracy (*Burocracia Cero*), that seeks to improve the efficiency, accessibility, and responsiveness of administrative services. Implemented by the CNC in collaboration with MAP-VMSP, Zero Bureaucracy prioritizes the simplification of 150 administrative services across 41 public institutions. MAP-VMSP, with World Bank support, has actively promoted the use of the 100-day Challenge, a methodology designed by Re!institute as a tool for enabling stakeholder engagement in the redesign of administrative services.

17. **The Government's 2021 Public Administration Reform and Modernization Plan (*Plan General de Reforma y***



Modernización de la Administración Pública) seeks to strengthen institutional capacity for the design and implementation of public policies, increase the efficiency and improve the quality of public services, thereby enhancing trust and bridging the gap between citizens and institutions. The proposed reform is ambitious, notably so for its whole-of-government and client-oriented approach, both of which will require significant changes in organizational culture (Figure 1). The Government intends to rationalize its administrative structure to clarify mandates, eliminate duplication of functions, strengthen whole-of-government coordination, and promote the integration and shared use of information systems. These institutional reforms will help simplify, streamline, and modernize business processes and be more responsive to citizens’ needs. Government agencies will engage with and empower citizens and businesses through the co-creation of service components and design of delivery modalities. Client consultation and user feedback will help monitor and improve performance. This requires a significant change in organizational culture from a rule-bound bureaucracy, characterized by protected information, administrative silos, and low accountability to citizens, to a culture that is users-responsive, transparent, evidence-based, problem-solving, and collaborative.

Figure 1. Public Administration Reform and Modernization Plan



18. **The Digital Agenda 2030 complements the Public Administration Modernization Reform Plan, laying out a strategy for the development of a whole-of-government foundational technology that will enable the delivery of faster, integrated, and more secure digital services.** Decree No. 71-21 created the Digital Transformation Cabinet (*Gabinete de Transformación Digital*), to coordinate work across government. The Ministry of the Presidency (MINPRE), through the CNCS and DIGEIG, will lead economy-wide Digital Agenda commitments such as regulations to expand the legal framework for the protection of personal data and efforts to improve cybersecurity capability. OGTIC, an institution under MAP, supports the MINPRE through the Vice Ministry for the Digital Agenda (*Vice Ministerio de la Agenda Digital*, VAD) in coordinating the Digital Transformation Cabinet, providing technical assistance on the technological components of Digital Agenda projects. This includes the 2021-2024 Action Plan ambitious target of 90 percent of institutions having all their services online. OGTIC launched a Citizen’s Portal (*Portal Único de Atención Ciudadana: gob.do*) in October 2022 to provide a single point of interaction for users. During its first phase, the portal allows users to initiate administrative services currently offered by Puntos GOB. In its second phase, the Citizen’s Portal will be fully transactional, allowing the user to carry out the entire administrative process online. OGTIC intends to structure digital public services around citizens’ life events and business processes to deliver seamless services. Integrated solutions will allow better planning of government resources and agile execution of business processes for efficient service delivery. Investments in digital government infrastructure and the use of cloud computing with improved platforms and standards for interoperability will facilitate inter-agency data exchange without compromising the flexibility of systems design. A digital ID will allow digital authentication, single-sign-on integration for government services, and digital signature. Enhanced cybersecurity will protect mission-critical systems and personal information. Mobile government services will facilitate access to digital services for the poor and marginalized. While these key technological components have been present in the digital government plans of various administrations, to date they are not available for use by public institutions in their digitization efforts, nor have they been incorporated into recent initiatives that OGTIC has supported. Women are less likely than men to complete administrative services online or digitally. Data from OGTIC between October 2022 to August 2023 shows that only 27 percent of administrative services were completed by women using the existing platform (*www.gob.do*) versus 45 percent of women using one of the three “Puntos GOB” to complete administrative services.



C. Relevance to Higher Level Objectives

19. **The project is aligned with the Country Partnership Framework (CPF) for FY22-26 discussed by the World Bank Board of Executive Directors on March 29, 2022 (Report No. 167896-DO).** The CPF advocates a cross-portfolio approach to governance that addresses the underlying issue of “improving access to quality public service delivery” (CPF High Level Outcome 1). The project’s focus on improving access, efficiency, and responsiveness of selected administrative services is aligned with this. The project complements planned and ongoing activities, notably World Bank projects in the education, health, agriculture and water sectors by strengthening the way administrative services are provided in these key sectors.

20. **The project is also aligned with Government strategies to create an efficient, transparent, and results-oriented Public Administration.** It supports the implementation of the 2021 Public Administration Reform and Modernization Plan. This plan aims to strengthen the Government's institutions, increase its capacity to generate public value, guarantee access to public administrative services for all citizens especially the most vulnerable groups, and positively impact the quality of life of citizens. Universal access to selected administrative services will be implemented so that citizens and businesses can use, participate, and interact with administrative services with equal opportunities, minimizing or eliminating barriers related to gender, age, location in the territory, mobility, disability, educational level and other characteristics. The project will also support DR’s National Monitoring, Reporting and Verification System (MRV) for Greenhouse Gases (GHG) emissions (Decree No. 541-20) by gathering data for the GHG Inventory, through transparency portals for reporting of emission activities and mitigation actions.

21. **The project design builds on the successful implementation of the ongoing World Bank technical assistance that supports the Government’s Public Administration Reform and Modernization Plan.** The recently closed Strengthening Citizen Engagement and Transparency technical assistance (P159392) has helped the Government modernize and streamline complex, high impact administrative services by updating regulations, developing institutional transparency, improving capacity-building programs for public servants, and supporting a roadmap to improve trusted and secure digital administrative services. The technical assistance Supporting Long-Term Low-Carbon Planning in DR (P176599) is helping the Government develop a Climate Change Long Term Strategy.

22. **The project is consistent with the country’s Nationally Determined Contribution (NDC).** In the latest NDC submitted to the United Nations Framework Convention on Climate Change (UNFCCC), the country commits to a 27 percent reduction of green gas emissions through 46 mitigation options and 37 adaptation measures. The project contributes to the NDC by promoting a strategic environmental assessment integrating climate risk; facilitating business continuity plans/disaster recovery plans for climate-induced shocks; generating information and data through the Government’s existing Data Gathering and Damage Assessment System; facilitating complete, precise and accessible information related to climate change; incorporating climate considerations (especially mitigation) in the design or reengineering of public administrative services; and providing transparency and accountability on service delivery through the National MRV for GHG System and other instruments. The project is also aligned with the goals of the Paris Agreement on both mitigation and adaptation, as well as with the Green, Resilient, and Inclusive Development (GRID) approach.

II. PROJECT DESCRIPTION

A. Project Development Objective (PDO)

PDO Statement

Improve the efficiency, accessibility, and responsiveness of selected administrative services for citizens and businesses.



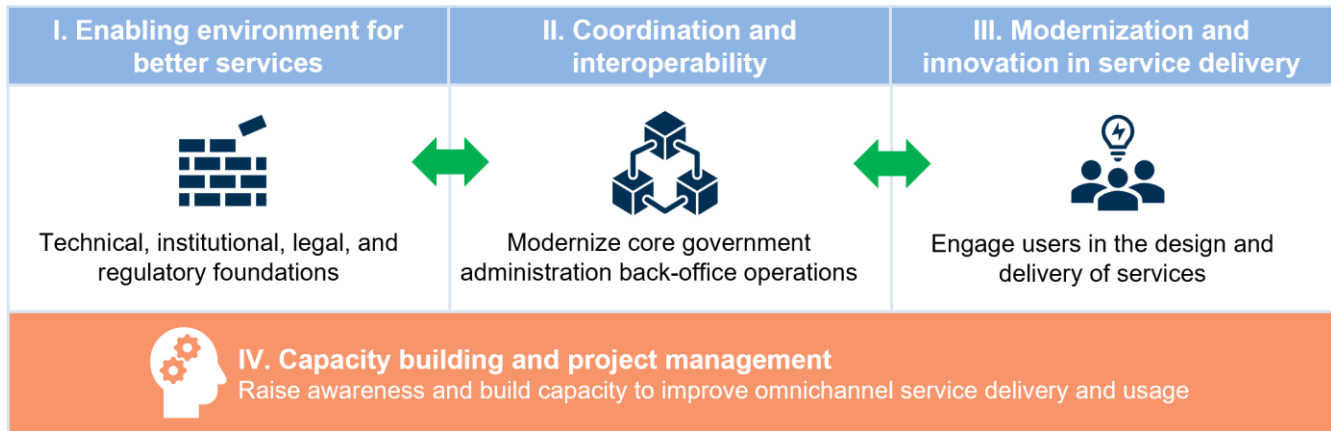
PDO Level Indicators

- a) **Efficiency:** Selected central government administrative services with reduced resolution times (number)
- b) **Accessibility:** Users of government digital services (percentage)
- c) **Responsiveness:** Digital services reengineered using evidence from Service Delivery Innovation Labs (number)
 - a. Of which are specifically targeted to, and consider, women's specific needs (number)
 - b. Of which are specifically targeted to, and consider, vulnerable groups' specific needs (number)

B. Project Components

23. **The proposed lending instrument is an investment project financing (IPF) with four components spanning their implementation over five years.**

Figure 2. Project Structure



Component 1. Enabling environment for better administrative services (US\$6.5 million)

24. **This component seeks to establish the technical, institutional, legal, and regulatory foundations for modern and efficient administrative services.** Activities under this component include: (i) preparation of a Service Delivery Strategy for selected services and implementation roadmap that integrates all on-going initiatives into a single policy instrument, including service standards, quality management mechanism, and citizen engagement model for improving services; (ii) development of a Single Services Registry with the services information open to public scrutiny and procedures for its administration, updating, and publication; (iii) design and implementation of a standardized methodology for sector functional reviews to identify and unlock bottlenecks, assess proposed reforms, and strengthen policy alignment and efficiency of functional structures for service delivery, including through a gender specific lens; (iv) review and adaptation of the technical and regulatory framework for the delivery of administrative services, working together with relevant institutions to issue guidelines and standards for the Service Delivery Strategy in areas such as data center and cloud use in public sector, and cybersecurity for the digital government ecosystem, (v) definition and implementation of Green and climate resilient ICT approaches for sustainable digital government (for example, energy-efficient central processing units, servers, power systems and other IT equipment); (vi) review and update of the ID authentication mechanism for public administrative services and expansion of the use of the digital signature, with a focus on its expansion to female population; and (vii) strengthening and support the implementation of a whole-of-government administrative services business continuity plan/disaster recovery plan for emergencies and climate-induced shocks.



Component 2. Coordination and interoperability (US\$12.2 million)

25. **This component seeks to modernize core public administration back-office operations to facilitate coordination, planning and interoperability among Government agencies.** Activities under this component include: (i) update and strengthen the government Enterprise Architecture (EA) framework, the interoperability platform and standards for its deployment; (ii) apply a holistic Data Management Model, implementation roadmap, and tools to analyze usage and performance of services and delivery channels, including user feedback, to make government services more responsive and data-driven (including responding to climate shocks); (iii) review and update reusable software components based on open standards as ICT building blocks to accelerate the deployment of digital services, reduce unnecessary duplication of solutions, provide a seamless service delivery experience and minimize data impacts of climate related disasters ; (iv) strengthen the Public Administration Reform and Modernization Observatory to measure the access, use, and satisfaction of public administrative services by users through joint efforts with relevant agencies, including studies to better understand existing gaps among potential and actual users (e.g., women, vulnerable groups, people with disabilities, among others), and (v) establish the State administrative management architecture and support the implementation of cross-cutting integrated solutions for government resource planning.

Component 3. Modernization and innovation in service delivery (US\$12.5 million)

26. **This component seeks to support the development and adoption of tools and procedures to engage citizens and businesses in the design of selected administrative services and delivery channels that are more effective in responding to the needs of users and especially women and vulnerable groups.** Activities under this component include: (i) development and implementation of regulatory initiatives that encourage citizen engagement to improve public management and service delivery; (ii) design and establishment of Service Delivery Innovation Labs (see Box 1 for details) where public officials collaborate with users and other stakeholders to reimagine and simplify service journeys and modeling services by categories, using business process reengineering tools and innovative approaches; (iii) introduction of a simplified agile approach to service digitization, using category patterns and building blocks to standardize services; (iv) consolidation of the unified citizen portal (Gov.do), including the improvement of its technological infrastructure and the deployment of secure authentication, a citizen's folder, and a user feedback mechanism; (v) design and implementation of a service channel assessment and an omnichannel service delivery plan that includes low-cost face-to-face solutions located in vulnerable or remote areas to foster inclusion. To ensure service delivery continuity to all citizens, locations will include usual shelter locations to facilitate access for those most vulnerable to climate shocks.

Component 4. Capacity building and project management (US\$8.8 million)

27. **This component seeks to build capacity and raise awareness of all stakeholders to facilitate delivery and use of administrative services and delivery channels that are more user friendly.** Activities under this component include: (i) design and implementation of a communications strategy to raise awareness, motivate stakeholders to participate in the public administration reforms and promote citizens' and businesses' uptake and use of digital government solutions and services; (ii) design and implementation of capacity-building program (including but not limited to activities such as training and workshops) and change management plan for public officials, including selected local governments, to support public administration reforms, digitalization, and deployment of public services digital solutions; (iii) design and implementation of a low-cost digital skills capacity-building program (including but not limited to activities such as training and workshops) targeting potential service users (with a particular focus on women and people with disabilities); (iv) provision of tools and resources, including operating costs, for project administration, environment and social risk management, monitoring and evaluation (M&E), and audit.



Box 1. Sequence of activities for accelerating service simplification and digitalization

The way government administrative services are redesigned and digitized is shifting from a retail approach whereby for each service a stand-alone effort is done to a wholesale approach whereby services are modeled and standardized by categories, setting up building block-based patterns. Service patterns are practical guidelines for building services that are repeated hundreds of times across government (such as certifications, permits, or licenses) to build better user-centric services. Building blocks are reusable, interoperable, and standards-based software assets that provide a common functionality applicable to multiple use cases (such as requesting forms, paying, and signing) to accelerate the deployment of digital services at scale, reduce unnecessary duplication of solutions, provide seamless experiences, and ensure more effective responses to climate change challenges.

This project introduces Service Delivery Innovation Labs as a cornerstone to enable close collaboration with various stakeholders, especially end-users, for service redesign and development. These labs rather than physical infrastructure are innovative methods and tools to identify service categories, reimagine and simplify their journeys, and establish patterns for modeling services, to streamline service simplification and ensure access for all users, especially the most vulnerable. With this done, services are digitized by assembling the building blocks. Taking this innovative path will boost efforts to move towards a user-driven approach, which can have a transformative effect on the Government's capacity to respond to the needs of citizens and businesses, increase accessibility and promote climate resilience.

C. Project Beneficiaries

28. **The project has three broad groups of intended beneficiaries.** First, citizens and businesses, who will be able to interact more efficiently and effectively with the Government through modernized processes and tools. Second, participating Government entities at the national and subnational levels that implement the modernized tools and platforms will benefit by being able to deliver administrative services in a more effective and transparent manner. Third, the MAP will benefit from enhanced technical capacity through improved platforms and the corresponding strengthening of its institutional role, supported by dissemination tools and effective change management.

29. **The project will benefit vulnerable groups, including those affected by the impacts of climate change.** Vulnerable populations include people with disabilities, the elderly, the population with lower socioeconomic and education levels, and rural populations, and particularly women within these groups. These groups are typically the poorest and most exposed to natural disasters and climate-related shocks. Data shows that underserved localities with limited ICT connectivity are mainly in rural areas. The population in these localities typically has less access to information, including that related to the causes and effects of extreme weather events. The project will enable Government administrative services to effectively reach beneficiaries in remote areas and vulnerable groups by co-creating and collaborating on improving services; providing training opportunities in digital skills with a particular focus on these groups; and rolling out a communication strategy to attract these targeted groups to use the new services.

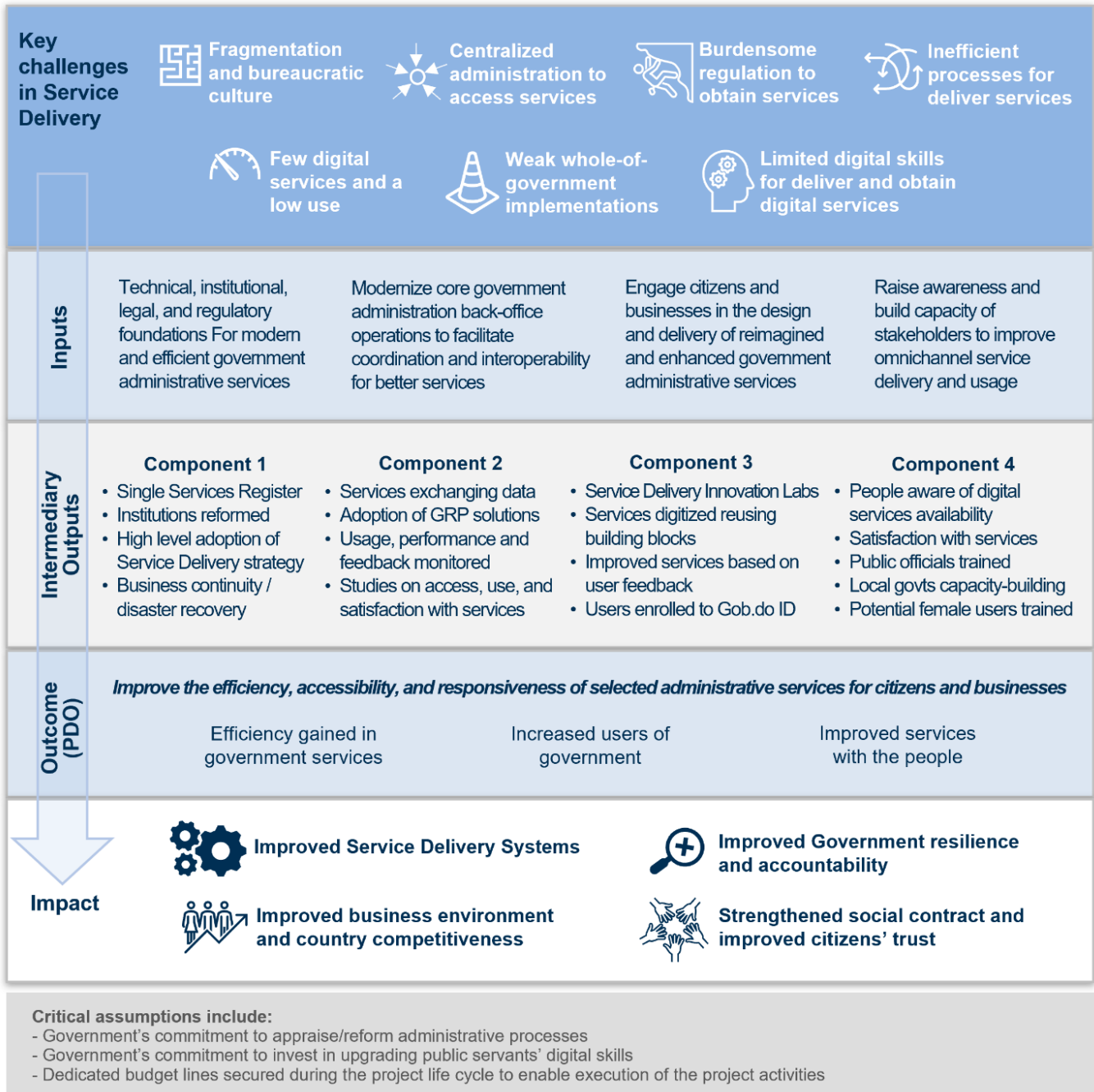
D. Results Chain

30. **Solutions supported by the project are expected to generate multiple positive results and externalities, improving the efficiency, access, and responsiveness of selected administrative services.** The project seeks to address the following challenges: fragmentation and bureaucratic culture; centralized administration to access services; burdensome regulations to obtain services; inefficient processes for delivery of services; few digital services and low usage; weak whole-of-government implementation; and limited digital skills to deliver and obtain digital service. Activities under the project will support the Government in modernizing how the DR public administration operates by mobilizing new technologies to reengineer internal processes and better serve citizens and businesses in a user-friendly manner (Box 1). From the citizen's perspective, migration to digital services along with more systematic efforts to ensure citizens participation has the potential to improve administrative service efficiency, access, and responsiveness to users. The enhanced functionalities of digital platforms and the expansion of the services catalog, combined with alternative



means of face-to-face outlets such as service centers can reduce travel costs and the administrative burden of gathering documents; facilitate easier and faster applications and approval processing; reduce delivery times; promote accessibility for women, citizens with disabilities and other vulnerable groups; and foster transparency in terms of better access to information including through service tracking. From the Government’s perspective, greater efficiency gains occur through business process re-engineering and administrative simplification. Exchanging information via interoperability platforms also yields efficiency improvements and accuracy of administrative data.

Figure 3. Results Chain





E. Rationale for Bank Involvement and Role of Partners

31. **The World Bank brings substantial experience in the design and implementation of similar multi-institutional projects that have led to significant improvements in administrative service delivery.** The Argentina Digital Inclusion and Innovation in Public Services (P174946) and Uruguay Improving Service Delivery to Citizens and Businesses through E-Government Project (P161989) supported the design and implementation of digital solutions to improve the efficiency of and access to selected digital services. These projects contributed to the definition of technical standards, data security and data privacy, business process design, change management, citizen engagement and management of digital government reforms following a whole-of-government approach. The World Bank can play an important role in facilitating complex reforms through dialogue with key stakeholders, working with government agencies, civil society, and the private sector.

32. **The World Bank has worked with the Government of DR on improving service delivery, transparency, and accountability.** The recently closed Strengthening Citizen Engagement and Transparency technical assistance (P159392) has helped the Government modernize and streamline complex, high impact administrative services by applying the 100 Day Challenge methodology developed by Relinstitute, to improve in short term processes based on collaboration. The project also provides technical assistance to DIGEIG to strengthen the legal framework for anti-corruption, deliver training for civil servants, and undertake Public Entity Corruption Risk Assessments. This technical assistance provided a good understanding of the status of the modernization process, the technical and institutional challenges derived from the reform program, and the factors that are critical for its success. Ownership by the authorities and collaborative implementation arrangements are expected to provide a strong incentive and will be key to the project's success.

33. **The project will coordinate with ongoing and planned activities financed by other development partners.** There are several operations funded by the IDB that address complementary elements of the Government's public administration reform and digital transformation agenda. The Government, through the MAP, is implementing a project financed by the IDB (L1142) that supports human resource management aspects of the government's Public Administration Reform to improve the efficiency of the civil service. The IDB is also financing a digital infrastructure connectivity project (L1147) that will expand the connectivity network and improve citizen's digital skills. Finally, the IDB is supporting a transparency and integrity project (L1150) aimed at strengthening transparency, accountability, and integrity in the management of public resources. The World Bank will maintain dialogue with development partners working on public administration reform and digital development issues during project implementation to ensure effective coordination of activities.

F. Lessons Learned and Reflected in the Project Design

34. **The project design builds on lessons learned from recent World Bank digital government and administrative service delivery projects.** The experiences of the Argentina Digital Inclusion and Innovation in Public Services (P174946), Uruguay Improving Service Delivery to Citizens and Businesses through E-Government Project (P161989), Bangladesh Enhancing Digital Government and Digital Economy (P161086) and Albania Improving Equitable Access to High Standard Public Services through GovTech (P177845) are particularly relevant. The proposed project design is also informed by a strong program of analytical, diagnostic, and policy-related work funded by the World Bank and other development partners, notably the Improving Selected User Centric e-Services in DR (P159392), the World Bank Public Expenditure Review (P164680), the OCD Multi-dimensional Review of the DR (2022) and OECD Better Service Delivery for Inclusive Growth in DR (2018). This cumulative experience supports innovations that leverage state-of-the-art technology and change management practices.

35. **High level leadership and effective coordination arrangements are critical for the successful implementation of digital government reforms.** Reforms often encounter resistance from agencies that are protective of their legacy



administrative services and systems, and reluctant to collaborate and share data. Institutional mandates authorizing specialized agencies to lead digital government reforms can help overcome this resistance, particularly where coordination arrangements engage line agencies in decision making and provide an opportunity to resolve implementation bottlenecks. High level leadership can help bolster the authority and the effectiveness of these coordination arrangements. The project implementation arrangements provide for a high-level coordination body with a senior ministry as the implementing agency.

36. Modern digital government initiatives promote the use interoperable platforms, data exchange and shared IT solutions rather than standalone information systems. The design of standalone, specialized information systems, preceded by individualized administrative service reengineering is expensive, time consuming, and results in a fragmented digital ecosystem that is difficult for services users to navigate. Experience from Uruguay and Argentina demonstrates that the use of interoperable systems, data exchange across institutions and applications, coupled with a modular approach to digital services – whereby services are built from standardized components for common functions such as sign-on, document flow, and payments – greatly accelerates the pace of digitization and improves the user experience. The project will replicate this approach, adapting solutions to the needs of DR.

37. An integrated digital government requires effective cybersecurity, data protection and business continuity. As the range of digital services expands and a growing share of administrative transactions are processed online, cybersecurity, data protection and business continuity risks increase. Adequate protections and risk management systems must be put in place if the authorities are to maintain public confidence. The project will support the development of regulations and tools to help mitigate these risks.

38. Adequate provision will be made for those unable to access services online. Citizens and businesses in areas with limited connectivity, the elderly, women, and vulnerable groups are at risk of becoming further marginalized as administrative services move online. In Argentina, the project specifically targeted vulnerable groups through service centers where citizens can seek assistance in accessing digital services. Similar arrangements are in place in DR through Puntos GOB, albeit with sparse coverage at present. The project will assess the needs of vulnerable groups and develop an omnichannel service delivery plan that includes low-cost face-to-face solutions located in vulnerable or remote areas to foster inclusion.

39. Specific actions need to be taken towards the inclusion of people with disabilities. DR has specialized regulations that protect persons with disabilities, among others. Decree No. 5-13 on Equal Rights of persons with Disabilities aims to protect and guarantee equal rights and equal opportunities for all people with disabilities. Regarding Universal Access, the Decree indicates: "the requirements that physical environments, infrastructures, buildings, processes, goods, products, services, objects or instruments, tools and devices must meet in order to be understandable and usable by all people in conditions of equality, security and comfort and in the most autonomous and natural way possible, improving their quality of life and active participation within society". Including people with disabilities and expanding equitable opportunities are at the core of the World Bank's work to build sustainable, inclusive communities, aligned with the institution's goals to end extreme poverty and promote shared prosperity.

40. Digitization requires digitally competent civil servants and users. The team will use the experience from the implementation of similar reforms in other countries. In Bangladesh, for example, the project established a Digital Academy to provide training for government employees at all levels to increase the maturity and quality of digitalized government services and internal processes. This approach will be applied in the DR. Particular attention will need to be paid to providing management cadres with the skills needed to use information systems and data in decision making. The project will support training programs for civil servants and local government employees including change management activities to help officials adapt to a digital government environment. In addition, the project will support outreach activities targeting actual and potential users of digital services (in particular, more vulnerable users and women).



III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

41. **MAP will be the project implementing agency, providing overall day-to-day leadership and coordination for project activities.** The Ministry is mandated to lead cross governmental public administration reforms and regulate administrative services across the public sector. A project Implementation Unit (PIU) will be established to provide administrative support to project activities. The PIU will: prepare annual Procurement and Implementation Plans; ensure compliance with World Bank financial management and procurement regulations and environmental and social requirements; manage procurement following the procurement plan; oversee technical inputs from all institutions involved in the project; liaise with the World Bank and monitor and report on project progress. MAP will provide office space for the PIU. The project will cover PIU operating costs, including for consultants hired to work full-time or part-time on project implementation.

42. **The Inter-Ministerial Committee for Reform and Modernization of the Public Sector (*Comisión de Reforma y Modernización de la Administración Pública, CRMAP*), chaired by the Minister of Public Administration and with the Minister of Presidency as a member, will serve as the project's steering committee.** The CRMAP will provide political support and strategic guidance to the Project, including offering recommendations on the work plans; advising to manage inter-agency coordination issues; reviewing the progress achieved; fostering positive and timely communication about the project progress; and assisting in building support to the reforms. Any changes to the project governance arrangements required during project implementation will be reflected in the Project Operational Manual (POM).

43. **Specialized agencies will participate in project implementation as clients/beneficiaries.** Participating agencies are: (i) OGTIC (a semi-autonomous agency within MAP) responsible for the design and implementation of digital solutions; (ii) Ministry of the Presidency (*Ministerio de la Presidencia, MINPRE*), with the Digital Agenda Vice Ministry; and (iii) National Competitiveness Council. They will be responsible for providing technical requirements and specifications for the systems or other activities to be financed through the project, review consultant and vendor outputs, organize acceptance testing of IT software and hardware, use and supervise project products and solutions, and benefit from selected capacity building activities. While these entities will not directly manage project funds, with FM and procurement functions being carried out exclusively by MAP, they must ensure ownership of reform goals by being accountable for their anticipated results. Coordination bodies, such as the Innovation and Digital Development Cabinet, and the Efficient Government Program (Zero Bureaucracy) will provide inputs for coordination and collaboration. Specific public beneficiary Government agencies will include the Ministries of Environment and Natural Resources, Education, Public Health, Agriculture and the National Institute of Drinking Water and Sewerage, providing provide technical inputs. The POM will provide further details regarding the coordination between agencies, their roles, and responsibilities.

B. Results Monitoring and Evaluation Arrangements

44. **The PIU will be responsible for overall monitoring of the project.** The PIU will hire a M&E expert, who will prepare biannual reports to be shared with the MAP and the World Bank. The M&E reports will be developed based on the project results framework. The reports will include information on the progress of project implementation, analysis of new project activities to be launched in the current year, and disbursement projections. The MAP will hold each of the concerned beneficiaries accountable for their respective implementation status and achievement of results as reported and, as necessary, require them to identify proposed corrective actions.

C. Sustainability

45. **The risks of policy reversal are considered negligible.** At the political and strategic level, the state modernization and digital agendas underpinning the reforms enjoy strong support from the President. This support is expected to be



sustained beyond project implementation, reinforced by the reform activities that will institutionalize these agendas within the Government's structure and processes. Resistance from some stakeholders to aspects of digitalization – lack of familiarity, loss of control and gatekeeper opportunities – will be addressed by building collaborative partnerships, supporting change management skills and pressures from beneficiaries. Digitalization generates tangible benefits for citizens and business, which bolster reform constituencies and support long-term sustainability of Government-led efforts. The project will strengthen the role of these external stakeholders through the Reform Observatory, the Service Delivery Innovation Labs, and other mechanisms that will provide opportunities for stakeholders and beneficiaries to provide regular feedback and steer digital government reforms. The project also supports solutions that help reduce incremental operating costs relative to alternatives, including roll-out to public institutions of shared digital solutions, maximizing inter-operability and consolidation of operation and maintenance activities.

IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis (if applicable)

46. **The project will develop and strengthen foundational elements for modern and efficient administrative services to guarantee interoperability, transparency, and a focus on the needs of businesses and citizens.** It will do so by setting common standards for the delivery of services by Government agencies, defining data registry requirements across public organizations, simplifying services, and promoting the use of digital government solutions, focused on selected services of prioritized sectors to be chosen using robust selection criteria. Targeted change management initiatives will support the reform process, promote new management practices and an organizational culture that is responsive to service users, transparent, collaborative, and where decision-making is evidence-based. The project will finance investments in digital cross-cutting administrative and management platforms that provide shared tools and draw on whole-of-government standardized, reliable, and secure information. Development of digital services will follow a building blocks approach using standardized software components for common functions such as forms, appointments, and payments. This approach draws on the experience of Uruguay and Argentina, where standardization allowed rapid roll-out of digital services and provided users with a familiar digital environment. The project will support the organizational, administrative and businesses process reforms needed to streamline administrative services and facilitate information exchange across government. Alongside the digital solutions, the project will finance a multi-modal approach to administrative service delivery including online, in-person and assisted services to facilitate access for the poor and vulnerable groups. Users are expected to benefit from improved and more equitable access to services, greater efficiency in the delivery of these services, reduced transaction times, reduced travel, and improved transparency. Government will benefit from reduced transactions costs for administrative services and improvements in the quality of information available for decision-making.

47. **Digital services supported by the project will build upon a foundational premise: use of shared digital government infrastructure and investing in additional new shared services following a whole-of-government approach to accelerate the launch of priority e-services.** The use of shared solutions will allow the Government to take advantage of an approach that enables access to software, platforms, and ICT infrastructure to be provided as a service across whole-of-government – thereby leveraging economies of scale and ensuring Government-wide access to updated digital solutions. The project will also provide capacity-building and skills-development activities targeting both civil servants and end-users to ensure full realization of the government transformation agenda, and the public sector modernization.

48. **The automation and modernization of traditionally paper-based services will require investment in interoperability, cybersecurity, and data management.** New technologies offering simplified processes will eliminate human intervention and on-site participation at government offices. Interoperability between data systems is an important foundational component of the reengineering of public administrative services. Data storage systems and



databases will ensure that rapid inter-agency communication can occur with a clear separation of concerns and security domains between agencies, all without compromising the utility of interoperable information. Furthermore, service implementation with high standards in cybersecurity will vastly improve confidence in government systems among citizens and businesses by reducing the risk of financial losses and identity theft due to ransomware, denial-of-service, or malware attacks. A holistic Data Management Model will provide policies and practices to effectively manage data and information assets considering all different data dimensions and classifications (e.g., open data, personal data, exchange of public data, information security, unstructured data, data analytics).

49. **Economic analysis.** Project investments in digital inclusion and innovation in public services are expected to have important economic benefits. The results of the cost-benefit analysis (CBA) conducted for the operation (see Annex 2) indicate a significant and positive Internal Rate of Return (IRR) even under conservative assumptions. Under the baseline scenario the estimated 10-year IRR is 90 percent, with benefits from investments having a net present value of US\$43 million. The monetized benefits arise from: time savings for citizens from simplified, online services; time savings for civil servants from transactions that citizens now complete online; and time savings for civil servants from increased efficiency in internal administrative digital workflows. Complementary, indirect benefits which are difficult to quantify include: improvements in women's and vulnerable groups' access to digital government services; improvements in the penetration of digital financial services; and improved business continuity due to the automation of the selected public services and digitalization of critical government records. The project's costs contemplate all investments financed by the World Bank, counterpart financing and incremental operating costs.

50. **Citizen Engagement.** This project not only has a strong citizen engagement orientation; citizen engagement runs through all the components, driving the design, implementation, delivery, and continuous improvement of government administrative services. The Service Delivery Strategy will be leveraged by a citizen engagement model for improving services (Component 1). Tools will be acquired to analyze the usage and performance of services and delivery channels, including user feedback, to make government services more responsive and data-driven, and the Reform Observatory will be strengthened to better understand users' needs, drivers, and satisfaction with services (Component 2). Service Delivery Innovation Labs are a cornerstone to co-create better services, involving end-users to assess government responsiveness, and an omnichannel service delivery plan will be implemented to ensure universal access to services considering user preferences (Component 3). Capacities will be built to raise awareness, and to promote citizens' and businesses' uptake of the improved administrative services (Component 4). Moreover, a mechanism to close the feedback loop will be implemented to ensure that the services that have already been reengineered but are not positively evaluated by users enter a process of continuous improvement.

51. **Gender.** The project has two mutually reinforcing design features that can support the advancement of the gender inclusive agenda in DR. First, it directly addresses the gender gap in the use of digital government services by supporting the design and implementation of activities for greater citizen engagement focused to ensure inclusion of women and the effective implementation of participation mechanisms. The project will track women awareness of digital services availability, the training of potential female users of digital services, and women's usage and satisfaction with administrative services in the different service channels. Second, the project supports development of gender targeted digital services. Currently, digital services offered by the Government do not have a gender lens to target specific women's needs (e.g., services that are health-related, education-related, or children-related like lactation subsidies for new mothers). The project will address this gap by analyzing and leveraging data to improve administrative services that target women's needs, and by monitoring the number of services that are specifically targeted to, and respond to, women's needs. Component 3 includes studies to better understand existing gender gaps among potential and actual users. This will also contribute to the goal of increasing women's utilization of the citizen portal, Gob.do (currently 27 percent versus 70 percent of male users) and of any of the three Puntos GOB (currently 45 percent versus 53 percent of male users) to complete administrative processes.



52. **Climate Change.** The delivery of digital services for citizens and businesses will ensure business continuity during and after climate-induced shocks, enhance the Government’s early warning systems for climate-induced disasters, improve disaster risk management and recovery responses when such shocks occur and support the implementation of the National Enhanced Transparency Framework, responding to the Paris Agreement. The project will apply environmental management standards to ensure that software purchased, and any upgrade of service centers will use energy-efficient technologies. Furthermore, these standards and best practices will have an impact beyond the activities of this project, as they will become Green ICT guidelines to be adopted by all public institutions. The strengthening and expansion of an omnichannel service will facilitate access for low-income and vulnerable groups to multiple government services, focusing on vulnerable populations that are particularly affected by climate-related events. The use of data for service improvement and the promotion of digital innovation will help the Government to respond better to climate-related shocks and disaster risk management through better identification of targeted beneficiaries. Project procurement documents will apply environmental management standards to ensure that software purchased will apply energy-efficient measures and technologies.

53. **The project is aligned with the goals of the Paris Agreement on both mitigation and adaptation.**

54. **Assessment and reduction of mitigation risks.** Project activities will have a negligible impact on GHG emissions and are not expected to have an adverse effect on DR’s low-GHG-emissions development pathways as reflected in the NDC and CC-LTS. Activities such as digital infrastructure and digitization of services are considered universally aligned with Paris Alignment methodologies. Minor risks associated with the procurement of software may arise, however the project will incorporate life-cycle requirements and energy efficiency standards (with at least 20 percent reduction in energy consumption) in the procurement of services, equipment, and supplies.

55. **Assessment and reduction of adaptation risks.** The main climate related risks identified for the project are increased heat waves and more frequent and intense extreme weather events, such as hurricanes and storms, that might lead to floods and impact the capacity of systems that provide administrative services to continue operating under such circumstances. To respond to such risks, the project will include resilience measures within the proposed activities (business continuity plans) to minimize service disruptions and allow improved access to administrative services to beneficiaries. Furthermore, the investments under component 3 will enable the Government to better identify the most vulnerable populations at risk in the event of climate related emergencies, and to improve delivery of emergency services.

B. Fiduciary

(i) Financial Management

56. **A Financial Management (FM) Assessment was carried out from April to August 2023 to assess the adequacy of FM arrangements in place at the PIU within the MAP.** The FM Assessment concluded that the MAP’s proposed FM arrangements, after satisfactory implementation of a time-bound action plan (see table 1 below), are acceptable to the World Bank. The proposed FM arrangements are designed to support project implementation, properly record all transactions and balances, implement adequate internal controls, support the preparation of regular and reliable project financial statements, safeguarding the project’s assets, and will be subject to acceptable auditing arrangements.

Table 1. Time-Bound Action Plan

Description of Action/Condition	By When
MAP prepares a specific section in the project POM, including FM and flow of funds arrangements to be applied under the project.	By effectiveness
MAP appoints qualified and experienced FM staff to the project and PIU’s structure as agreed: hiring at least one Accountant.	Within 3 months of effectiveness



MAP prepares Chart of accounts and contents and format of IFRS, generated from SIGEF/UEPEX.	Within 3 months of effectiveness
External auditors to be contracted by MAP.	Within 4 months of effectiveness
MAP prepares and records the budget in the annual budget law.	Within 6 months of effectiveness

57. **The FM risk for this project is assessed as Moderate.** To mitigate the identified FM risks, key measures were agreed with the MAP and reflected in the time-bound action plan: (i) engage a qualified FM professional with knowledge of externally-funded operations, (ii) project FM arrangements will be agreed to during appraisal and detailed in the POM; (iii) necessary actions will be taken for planning and recording the project’s budget in the annual budget law; (iv) a tailored chart of accounts will be developed for the project, along with draft format and contents of financial reports including interim financial reports (IFRs) and annual financial statements, in accordance with project requirements, that will be generated by System of Executing Units for External Projects (UEPEX) within the Government’s Financial Management Information System (SIGEF) and, approved by the World Bank and incorporated in the POM; and (v) hire an eligible external audit firm to perform project annual financial audits.

58. **FM functions and project flow of funds will be centrally managed by the PIU in the MAP, responsible for overall project fiduciary activities.** FM arrangements will rely upon country systems and administrative procedures in place for accounting and budgeting execution. The project will use the Treasury Single Account (TSA) to manage resources and payments, with adequate segregation of duties for approvals, processing, recording and verifications. The POM will include further details on the flow of financial information including preparation of IFRs and annual financial statements. The MAP has staff that is experienced in administrative procedures, but they do not have knowledge of externally financed projects. The PIU will be strengthened with the hiring of a qualified FM professional to handle project FM tasks and provide support on the administrative workload generated by project’s execution.

(ii) **Procurement**

59. **Project procurement will be conducted using the World Bank’s Procurement Regulations for IPF Borrowers, issued in July 2016, and updated in November 2020, for the supply of goods, works, non-consulting and consulting services.** The fiduciary implementation will be the responsibility of the MAP. Technical inputs such as technical specifications and terms of reference will be provided by project beneficiary entities. The World Bank carried out a capacity assessment of the MAP from April to August 2023 to review the organizational structure for carrying out procurement under the project and the experience of the existing procurement staff and concluded that the procurement risk for this project is Moderate. To mitigate risks the assessment recommends that procurement capacity be strengthened to address the increasing workload resulting from this project. A Project Procurement Strategy for Development (PPSD) was prepared in September 2023 by the MAP with support from the World Bank team to identify fit-for-purpose approaches to the procurement processes expected to be conducted within the project. The result of this analysis, capacity assessment and actions to address the identified risks are detailed in Annex 1.

C. Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No



D. Environmental and Social

60. **The environmental risk rating for the project is considered Moderate.** Project activities are not expected to generate significant adverse environmental risks and impacts. The project is focused on supporting the implementation of the Government's Public Administration Reform and Modernization Plan, as such it will support the technical, institutional, legal, and regulatory capacities to improve efficiency and access to selected administrative services for citizens and businesses. The project will finance the procurement and installation of hardware such as IT equipment to support government systems and platforms. The project will not finance any type of civil works (new infrastructure or retrofitting works). Key environmental risks and impacts are related to the potential generation of electronic waste (e-waste) in case of the replacement of old electronics and occupational health and safety hazards for the workforce. Possible negative impacts are expected to be minor, site-specific, temporary, and fully reversible.

61. **The social risk rating is considered Moderate.** MAP still has limited experience to effectively manage citizen engagement and consultations with multiple civil, private, and public stakeholders, and inclusion of interested parties, in particular vulnerable groups, in project activities. Social inclusion measures are described in the draft Stakeholder Engagement Plan (SEP); however, the main mitigation measure is embedded in the project design itself as it foresees activities to assist and enable administrative services to effectively reach beneficiaries in remote areas and vulnerable groups and taking the needs of vulnerable groups into account in the design of digital skills training opportunities. While the project will benefit many users who currently have to navigate through complex bureaucratic processes and physically visit different Government offices (mostly in urban centers) to access specific services, the improvement of digital services could lead to limiting access to public administrative services for groups of the population without access to internet. Furthermore, there is an increase in demand for public administrative services by migrants (mainly Haitian and Venezuelan) and there is a risk that irregular migrants may be (self) excluded due to fear of being expelled from the country if identified as irregular migrants. The project's omnichannel approach, proposed ample consultations with the key stakeholders, especially vulnerable groups, promotion of transparency and ample public information disclosure will help address this risk. Project activities involve the improvement of existing platforms, such as the unified Citizen's Portal which requires that information security controls and protocols for the protection and controlled access and sharing with third parties of personal data are in place and in line with international best practices. No WB employee, or vendor hired by the WB, will process personal data. Component 1 includes the development and implementation of cybersecurity standards for the digital Government ecosystem and the improvement of the technological infrastructure and the deployment of more and better features such as secure authentication for public services integrating different identification methods. Resistance from some stakeholders to aspects of digitalization (due to lack of familiarity or loss of control and gatekeeper opportunities) will be addressed by building collaborative partnerships, supporting change management skills and active engagement of citizens and businesses in the design of administrative services and delivery channels and feedback mechanisms.

62. **Environmental and Social Standards (ESS) 1, 2, 3, 4 and 10 are relevant and the Borrower has prepared, consulted, and disclosed a draft SEP and draft Environmental and Social Commitment Plan (ESCP) prior to Appraisal.** The Borrower will update, consult, disclose, and adopt a final SEP, Labor Management Procedures (LMP), a project-level E-Waste Management Plan (EWMP), and a stand-alone environmental and social (E&S) screening checklist tool for technical assistance within ninety (90) days after of the project effectiveness date. The PIU will have a full-time dedicated environmental and social specialist to ensure adequate management of E&S risks, implementation, monitoring and reporting on the project's E&S instruments meeting the requirement set out in the ESCP.

V. GRIEVANCE REDRESS SERVICES

63. **Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the Bank's Grievance Redress Service**



(GRS). The GRS ensures that complaints received are promptly reviewed to address project-related concerns. Project affected communities and individuals may submit their complaint to the Bank’s independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, because of World Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the Bank’s Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank’s Accountability Mechanism, please visit <https://accountability.worldbank.org>.

VI. KEY RISKS

64. **The overall risk for the operation is Moderate.**

65. **Institutional Capacity for Implementation: Substantial.** Risks include the Government’s limited experience in implementing multi-stakeholder initiatives such as the transformational reforms envisaged under the project; the limited number of technical experts in core Government agencies; leadership by digital experts with inadequate engagement of units responsible for the delivery of administrative services; institutional rivalries and weak collaboration within and between the leadership of the digital government and line agencies. Mitigation measures include efforts to promote coordination and implementation arrangements that empower the agencies responsible for administrative services in the codesign of digital solutions. The project also includes a significant component focused on collaborative leadership and change management activities aimed at support potential implementation challenges.



VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Dominican Republic

Support for the Implementation of the Public Administration Reform and Modernization Plan

Project Development Objectives(s)

To improve the efficiency, accessibility, and responsiveness of selected administrative services for citizens and businesses.

Project Development Objective Indicators

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Efficiency gains in government administrative services							
Selected central government administrative services with reduced resolution times (Number)		0.00	0.00	0.00	150.00	300.00	500.00
Increased users of government digital services							
Users of government digital services (Percentage)		13.80	14.00	17.00	20.00	30.00	40.00
Improved services with the people							
Digital services reengineered using evidence from Service Delivery Innovation Labs (Number)		0.00	0.00	0.00	120.00	240.00	400.00
of which are specifically targeted to, and consider,		0.00	0.00	0.00	5.00	9.00	15.00



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
women's needs (Number)							
of which are specifically targeted to, and consider, vulnerable groups' needs (Number)		0.00	0.00	0.00	5.00	9.00	15.00

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Enabling environment for administrative services							
Services published in the Single Services Registry (Percentage)		0.00	0.00	25.00	50.00	75.00	100.00
Public entities with a high level of adoption of the Service Delivery Strategy and its related standards and plans (Percentage)		0.00	0.00	10.00	30.00	50.00	65.00
Public entities with critical services participating in business continuity/disaster recovery exercises (Percentage)		0.00	0.00	25.00	50.00	75.00	100.00
Coordination and interoperability							
Services with data exchange between institutions using the interoperability platform (Percentage)		0.00	10.00	25.00	40.00	55.00	70.00



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Public entities adopting cross-cutting integrated solutions for government resource planning (Number)		5.00	5.00	10.00	20.00	30.00	40.00
Studies conducted on access, use, and satisfaction with government administrative services (Number)		0.00	1.00	2.00	3.00	4.00	4.00
Modernization and innovation in service delivery							
People with disabilities participating in Service Delivery Innovation Lab activities (Percentage)		0.00	0.00	10.00	10.00	10.00	10.00
Services fully digitized by reusing available building blocks (Percentage)		0.00	0.00	90.00	90.00	90.00	90.00
Reengineered digital services improved based on user feedback (Percentage)		0.00	0.00	0.00	90.00	90.00	90.00
Visitors to low-cost face-to-face solutions to access services located in vulnerable or remote areas (Number)		0.00	0.00	10,000.00	70,000.00	130,000.00	200,000.00
Capacity building and project management							
People aware of digital services availability (Percentage)		0.00	30.00	40.00	50.00	60.00	70.00
User satisfaction with services (Percentage)		0.00	20.00	25.00	34.00	42.00	50.00
Public officials trained in knowledge areas supported under the project (Number)		0.00	0.00	7,000.00	14,000.00	21,000.00	28,000.00



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Potential female users of digital services trained as part of low-cost digital skills capacity building program (Number)		0.00	0.00	1,000.00	7,000.00	13,000.00	20,000.00

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Selected central government administrative services with reduced resolution times	Reduced resolution times will be measured in terms of reduction in the average time needed to resolve end-to-end services. The information will be disaggregated by sector, and institution.	Annual	Administrative data from MAP, OGTIC, VAD, CNC	Administrative data aggregated by the Reform Observatory. External verification based on reports. It will be measured by reduced resolution times at verification date, compared to the baseline established, in terms of reduction in the time needed to resolve end-to-end services. Administrative services that will be prioritized	MAP



				<p>are services provided by institutions of the prioritized sectors, with functional structures reformed for improving service delivery, and services reengineered using evidence from Service Delivery Innovation Labs. These services are selected considering criteria such as: (a) high number of transactions; (b) promptness to implementation; (c) burdens for users (cost and time); (d) potential savings for the government; (e) targeting vulnerable groups; (f) climate-related services. The list of eligible administrative services and baseline resolution times will be listed in the Operational Manual. External verification of the following process: Number of selected</p>	
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				services with a reduction of at least thirty percent (30%) in average resolution times from the respective baselines before reengineering. Targets are cumulative.	
Users of government digital services	Percentage of persons who obtained a government service over the Internet in the past twelve months out of the total number of survey respondents over the age of 18 who obtained government services in the past twelve months and are Internet users.	Annual	Study on access, use, and satisfaction with public services	User survey data. Users of government digital services are the survey respondents over the age of 18 who, having obtained government services in the past twelve months and being Internet users, have obtained at least one service in the past twelve months using digital channels.	MAP/OGTIC/VAD
Digital services reengineered using evidence from Service Delivery Innovation Labs	Results of the Public Administration Reform and Modernization Observatory regarding the number of services that have been reengineered using evidence from Service Delivery Innovation Labs.	Annual	Administrative data from MAP, OGTIC, VAD, CNC	Administrative data aggregated by the Reform Observatory. Services that will be reengineered are services provided by institutions of the prioritized sectors, that were reimagined,	MAP



				modeled by categories, simplified by using category patterns, and fully digitized by reusing available building blocks. Targets are cumulative.	
of which are specifically targeted to, and consider, women's needs	Results of the Public Administration Reform and Modernization Observatory regarding the number of services specifically targeted to women that have been reengineered using evidence from Service Delivery Innovation Labs considering women's specific needs.	Annual	Administrative data from MAP, OGTIC, VAD, CNC	Administrative data aggregated by the Reform Observatory. Services that will be reengineered are services provided by institutions of the prioritized sectors, that were reimagined, modeled by categories, simplified by using category patterns, and fully digitized by reusing available building blocks. Targets are cumulative.	MAP
of which are specifically targeted to, and consider, vulnerable groups' needs	Results of the Public Administration Reform and Modernization Observatory regarding the number of services specifically targeted to vulnerable groups that have been reengineered	Annual	Administrative data from MAP, OGTIC, VAD, CNC	Administrative data aggregated by the Reform Observatory. Services that will be reengineered are services provided by institutions of the	MAP



	using evidence from Service Delivery Innovation Labs considering vulnerable groups' specific needs.			prioritized sectors, that were reimagined, modeled by categories, simplified by using category patterns, and fully digitized by reusing available building blocks. Targets are cumulative.	
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Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Services published in the Single Services Registry	Percentage of services published in the Single Services Registry out of the total number of services approved according to the Registry procedures. The information will be disaggregated by sector and institution.	Annual	Administrative data from MAP	Administrative data collected by the Reform Observatory. Services that will be published are those that comply with the procedures for the Single Services Registry administration, updating, and publication.	MAP
Public entities with a high level of adoption of the Service Delivery Strategy and its related standards and plans	Percentage of public entities with high values (ranging from 0.75 to 1.00) in the Service Delivery Index, out of the total number of	Annual	Administrative data from MAP	Administrative data collected by the Reform Observatory as an aggregate index on the adoption by public	MAP



	institutions assessed. The information will be disaggregated by sector.			institutions of the Service Delivery Strategy and its related standards (such as the use of data centers and the cloud in the public sector; cybersecurity for the digital government ecosystem; Green ICT approaches for sustainable digital government; omnichannel service delivery).	
Public entities with critical services participating in business continuity/disaster recovery exercises	Percentage of public entities participating in business continuity/disaster recovery exercises out of the total number of institutions with critical services identified.	Annual	Administrative data from MAP, OGTIC	Administrative data aggregated by the Reform Observatory based on reports on the implementation of the whole-of-government business continuity plan/disaster recovery plan for emergencies and climate-induced shocks.	MAP/OGTIC
Services with data exchange between institutions using the interoperability platform	Percentage of services using the interoperability platform out of the total number of services that require data exchange with other public	Annual	Administrative data from MAP, OGTIC	Administrative data aggregated by the Reform Observatory based on OGTIC reports on the adoption of the	MAP/OGTIC



	entities to deliver an integrated and seamless service. The information will be disaggregated by type of data exchanged.			interoperability platform and MAP reports on services that require data exchange between institutions based on the Single Registry of Services and in accordance with data protection regulations.	
Public entities adopting cross-cutting integrated solutions for government resource planning	Number of public entities that have adopted the use of solutions that have been made available by the government for resource planning. The information will be disaggregated by type of solution. The information will be disaggregated by sector.	Annual	Administrative data from MAP, OGTIC	Administrative data aggregated by the Reform Observatory based on MAP and OGTIC reports on the implementation of integrated solutions for government resource planning. Targets are cumulative.	MAP/OGTIC
Studies conducted on access, use, and satisfaction with government administrative services	Number of user studies conducted to measure the access, use, and satisfaction with government administrative services.	Annual	Administrative data from MAP	Reports produced by the Reform Observatory. Surveys will be designed and conducted through joint efforts with relevant agencies, such as VAD, OGTIC and ONE. Targets are cumulative.	MAP



<p>People with disabilities participating in Service Delivery Innovation Lab activities</p>	<p>Percentage of individuals with a disability participating in Service Delivery Innovation Lab activities out of the total number of participants. The information will be disaggregated by gender of participants.</p>	<p>Annual</p>	<p>Administrative data from MAP, OGTIC, VAD, CNC</p>	<p>Administrative data aggregated by the Reform Observatory based on stakeholder reports.</p>	<p>Map</p>
<p>Services fully digitized by reusing available building blocks</p>	<p>Results of the Reform Observatory regarding the percentage of services that have been fully digitized by reusing available building blocks out of the number of services reimaged, modeled by categories, and simplified by using category patterns at Service Delivery Innovation Labs. The information will be disaggregated by sector and institution.</p>	<p>Annual</p>	<p>Administrative data from MAP, OGTIC, VAD, CNC</p>	<p>Administrative data aggregated by the Reform Observatory based on stakeholder reports and live demonstrations. Administrative services that will be digitized are services provided by institutions of the prioritized sectors, with functional structures reformed for improving service delivery, and services reengineered using evidence from Service Delivery Innovation Labs. The administrative services to be digitized will use reusable software components based on open standards,</p>	<p>MAP</p>



				provided by OGTIC as building blocks to accelerate the deployment of digital services, reduce unnecessary duplication of solutions and provide a seamless service delivery experience. Fully digitized means an end-to-end digitized service, except for those in which it is duly justified that one or more stages must be carried out in person. MAP will establish those exceptions.	
Reengineered digital services improved based on user feedback	Percentage of reengineered digital services available at Gob.do that are in continuous process of improvement out of the total number of services that received feedback from users. The information will be disaggregated by sector and institution.	Annual	OGTIC reports	A truly user-driven approach needs to engage citizens not only in the design but also in the provision of services. A mechanism will be implemented to close the feedback loop on services that were reengineered after the project effectiveness date and	OGTIC



				are available at Gob.do, based on the parameters of low score and most users. These parameters will determine which services enter a process of continuous improvement. The methodology will be developed during project implementation and will be reflected in the Project Operations Manual.	
Visitors to low-cost face-to-face solutions to access services located in vulnerable or remote areas	Number of persons visiting low-cost face-to-face solutions located in vulnerable or remote areas accessing services offered there. The information will be disaggregated by gender and location.	Annual	Low-cost face-to-face solutions coordinators, OGTIC	Administrative data collected by the low-cost face-to-face solutions coordinators and aggregated by OGTIC. Targets are cumulative.	OGTIC
People aware of digital services availability	Percentage of the population aware that government administrative services can be obtained over the internet out of the total number of survey respondents. The information will be	Annual	Survey on access, use, and satisfaction with public services	User survey data. People aware of digital services availability are respondents who know that they can use the internet to request and obtain the government administrative services	MAP/OGTIC/VAD



	disaggregated by gender, age, education, income, and location.			they need, regardless of whether they choose to use that channel or not.	
User satisfaction with services	Percentage of users satisfied with their experience with government administrative services out of the total number of respondents who obtained a service in the past 12 months. This indicator will have a breakdown by channel, and will be disaggregated by gender, age, education, income, and location.	Annual	Survey on access, use, and satisfaction with public services	This is a survey-based indicator that emphasizes users' experiences over general perceptions, with an eye on measuring the availability and quality of services as they were delivered to survey respondents. Respondents will be asked to reflect on their experience by channel. This means that only respondents who will have used government administrative services in a specific channel in the past 12 months will proceed to answer the survey questions. The indicator will be harmonized, as possible, with SDG indicator 16.6.2.	MAP/OGTIC/VAD



Public officials trained in knowledge areas supported under the project	Number of public officials trained to support public administration reforms and digitization and deployment of digital public service solutions. This indicator will have a breakdown by knowledge area, and will be disaggregated by gender, sector, and institution.	Annual	Administrative data from MAP, OGTIC, VAD, CNC	Administrative data aggregated by the Reform Observatory based on stakeholder reports.	MAP
Potential female users of digital services trained as part of low-cost digital skills capacity building program	Number of potential female users of digital services trained in digital skills crucial to using digital services within a 12-month period. The information will be disaggregated by location.	Annual	OGTIC reports	The capacity building program will be needs-driven for digital skills crucial to using digital services. Targets are cumulative.	OGTIC



ANNEX 1: Implementation Arrangements and Support Plan

COUNTRY: Dominican Republic

Support for the Implementation of the Public Administration Reform and Modernization Plan

A. Project Institutional and Implementation Arrangements

1. **Given the wide span of the reforms proposed under the project, targeting various ministries and agencies, the project will be implemented under the leadership of the CRMAP, which will serve as the Project Steering Committee.** The CRMAP is composed by the Minister of Public Administration (Chairperson), the Minister of the Presidency (MINPRE), the Minister of Finance (MH), the Minister of Economy, Planning and Development (MEPyD), the Legal Adviser of the Office of the President, and the Executive Director of the National Competitiveness Council (CNC), with the technical leadership of the Deputy Minister for Reform and Modernization, in coordination with the Commission Executive Director (Technical Secretariat). The CRMAP will provide political support and strategic guidance to the Project, including offering recommendations on the work plans; advising to manage inter-agency coordination issues; reviewing the progress achieved; fostering positive and timely communication about the project progress; and assisting in building support to the reforms. Any changes to the project governance arrangements required during project implementation will be reflected in the Project Operational Manual (POM).

2. **The Ministry of Public Administration (MAP) will be the project implementing agency.** MAP will provide overall day-to-day leadership and coordination for project activities. MAP will be required to act proactively to solve bottlenecks, demonstrating strong interinstitutional coordination capacity. MAP's Vice-Ministry of Reform and Modernization will oversee overall coordination across the various areas involved during implementation.

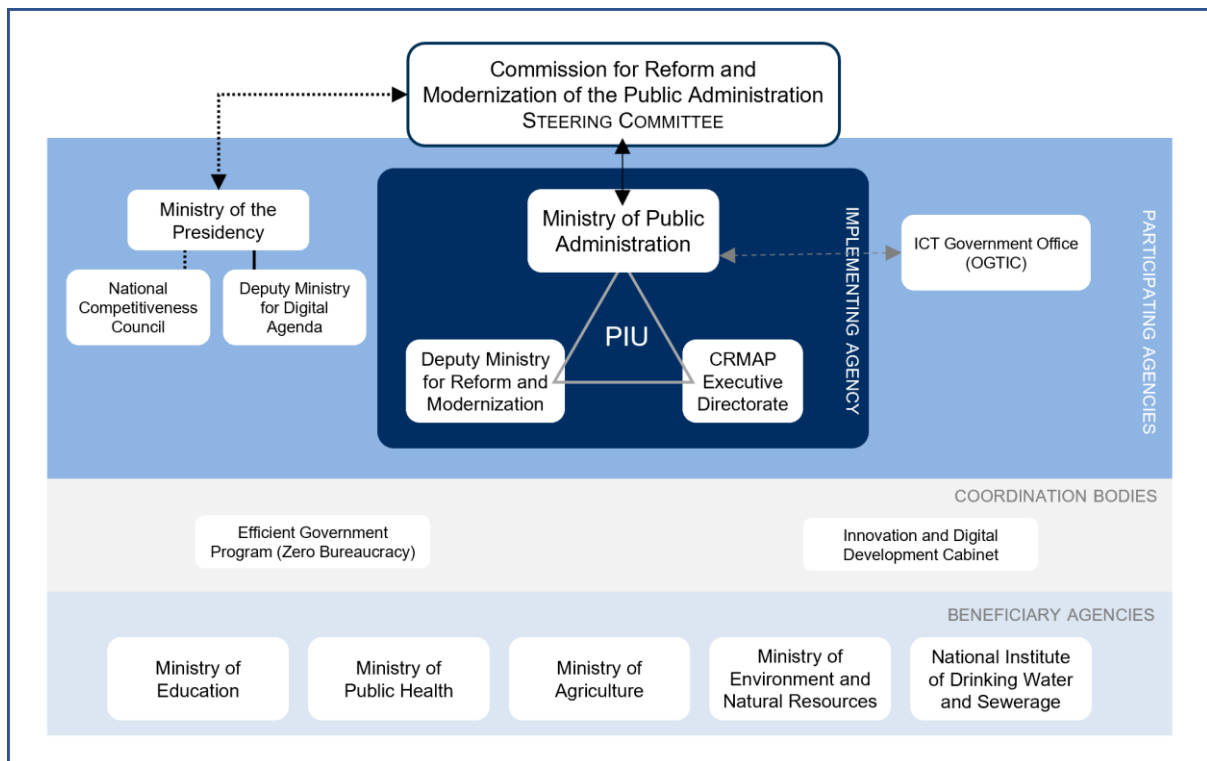
3. **The MAP will create a Project Implementation Unit (PIU) that will provide administrative support to project activities.** The PIU Project Manager will be selected by MAP and will be financed by the Project. The Project Manager will be an experienced professional, having the trust of and access to the highest-level of decision-making in the Government. He/she will participate in the meetings of the CRMAP. MAP will provide office space for the PIU, and as necessary the Project will cover its operational costs. PIU staff will be composed of consultants hired to work full-time or part-time on the Project's implementation. In addition to the Project Manager, the PIU staff will include a FM Specialist; a Procurement Specialist; an Environmental and Social Specialist; a Monitoring and Planning Specialist; and a Communication Specialist. The PIU will be responsible for:

- a) Ensuring compliance with World Bank financial management and procurement regulations and environmental and social requirements; prepare Interim Financial Reports (IFRs); consolidate project financial reports based on information provided by other Government agencies involved in project implementation on planned and actual expenditures; and prepare and oversee implementation of specific TORs for the annual audit and procurement reviews.
- b) Manage the procurement processes according to the Procurement Plan approved by the World Bank review TORs prepared by technical teams; prepare bidding documents; publish procurement notices and contract awards; and negotiate contracts with consultants and monitor contract implementation.
- c) Liaise with the World Bank, consolidate documentation on underlying expenditures and input-based activities to report to the World Bank in a timely manner.
- d) Monitor and evaluate the progress of the project in terms of physical achievements and results indicators agreed with the World Bank and prepare the Project Reports for timely submission to the World Bank.



- e) Environmental and Social Framework. The PIU will coordinate and monitor the environmental and social management aspects of the project through its E&S specialist. The PIU will be the direct interlocutor with the World Bank team and will oversee implementation of the measures identified in the Environmental and Social Assessment (ESA), the SEP, and all the actions established in the ESCP. The PIU will coordinate with institutions and agencies involved and organizations specialized in serving vulnerable groups to collect information and implement the measures and actions committed. The PIU’s environmental and social capacity will be strengthened by the appointment of a social specialist with responsibility for the follow-up and monitoring of the ESA and SEP during project implementation.

Figure A1.1. Project implementation and reporting process



4. **Specialized agencies will participate in project implementation as clients/beneficiaries.** Participating agencies are: (i) OGTIC (a semi-autonomous agency within MAP) responsible for the design and implementation of digital solutions; (ii) Ministry of the Presidency (MINPRE), with the Digital Agenda Vice Ministry; and (iii) National Competitiveness Council. They will be responsible for providing technical requirements and specifications for the systems or other activities to be financed through the project, review consultant and vendor outputs, organize acceptance testing of IT software and hardware, use and supervise project products and solutions, and benefit from selected capacity building activities. While these entities will not directly manage project funds, with FM and procurement functions being carried out exclusively by MAP, they must ensure ownership of reform goals by being accountable for their anticipated results. Coordination bodies, such as the Innovation and Digital Development Cabinet, and the Efficient Government Program (Zero Bureaucracy) will provide inputs for coordination and collaboration. Specific public beneficiary Government agencies will include the Ministries of Environment and Natural Resources, Education, Public Health, Agriculture and the National Institute of Drinking Water and Sewerage, providing provide technical inputs.



5. **Project Operational Manual.** The POM will lay out: the procedures for the implementation, reporting, M&E of the project, the organizational structure of the project, including the roles and responsibilities of the PIU, project procurement and FM requirements and procedures; the project's chart of accounts and internal controls; and the indicators to be used for project M&E. The adoption of the POM is a condition of effectiveness.

B. Procurement

6. **The overall project risk for procurement after the proposed mitigating measures is assessed as Moderate.** Procurement will be conducted using the World Bank's Procurement Regulations for IPF Borrowers, issued in July 2016, and updated in November 2020, for the supply of goods, works, non-consulting and consulting services. The World Bank's Standard Procurement Documents will govern the procurement of World Bank-financed Open International Competitive Procurement. For procurement involving National Open Competitive Procurement, the Borrower may use documents agreed with the World Bank. The Project will use the Systematic Tracking of Exchanges in Procurement (STEP) to plan, record, and track procurement transactions.

7. **The World Bank carried out a capacity assessment of the MAP to review the organizational structure for carrying out procurement under the project and the experience of the existing procurement staff.** The assessment concludes that the MAP has an extensive experience in procurement under the local regulations, however capacity to manage large operations is limited since they don't have prior experience implementing World Bank-financed projects. However, the MAP is currently executing a project financed by IDB. The assessment identified risks arising from the increased workload that this operation will entail and a need to increase knowledge on World Bank Procurement Regulations through different types of trainings to support capacity building. The assessment also identified the need for the MAP to consolidate the various technical requests and find the most suitable arrangements to enable the best value for money. Based on the capacity assessment, the following actions are recommended to reduce risk and facilitate project implementation: (i) strengthen the procurement team by including in the PIU a Procurement Specialist with a solid background and experience with projects financed by multilateral organizations; (ii) carry out a procurement workshop that could benefit project implementation, including STEP; (iii) the POM will include a detailed description of the roles and responsibilities of the PIU and its interaction with the other participating agencies when it comes to spelling out technical, administrative and contract management tasks and responsibilities; (iv) support and assistance from the World Bank procurement team to MAP and PIU staff during project implementation, in particular for more complex activities.

8. **The MAP with inputs from other implementing agencies, is preparing a Project Procurement Strategy for Development (PPSD) that includes the scope of the activities and identifies the procurement arrangements that will ensure value for money while efficiently achieving the PDO.** Activities planned under the project include primarily the procurement of IT equipment and software and consulting services for the different project components.

9. **Goods and Non-Consulting Services.** The project will finance the procurement of IT equipment and software to support effective scalability of e-services to citizens, private sector, and central government agencies (technology platforms, licenses, equipment for digital service centers, routers, antennas, servers, networking infrastructure, among others).

10. **Consulting Services and Information Systems.** The project will finance consultancy activities and the development of information systems to enable the successful scalability of transversal management systems and platforms, systems reengineering, machine learning implementation services, data analytics dashboards, among others. The project also plans activities for training of government officials and administrative service users, project monitoring and auditing.

11. **Procurement activities expected to be carried out during the first 18-months of project implementation will be detailed in the project Procurement Plan developed by the MAP.** The rest of the activities will be added to the



Procurement Plan once they are defined by the technical areas and any updates on the Procurement Strategy will be reflected during project implementation.

C. Financial Management

12. **The overall FM residual risk is assessed as Moderate.** The World Bank staff carried out an FM Assessment in May 2023. The conclusion is that the MAP's proposed FM arrangements are considered acceptable to the World Bank. MAP already manages external funded projects with similarities in terms of design, content, and objectives. However, to manage the identified FM risks, the following mitigating measures will be implemented to manage the identified risks (see Table 2): (i) PIU will hire an FM specialist specifically for this project; (ii) preparation of an POM including a section with FM arrangements acceptable to the World Bank; (ii) IFRs for disbursement purposes will be reviewed by the World Bank Task Team; (iii) annual audit of the project's financial statements following auditing standards and terms of reference acceptable to the World Bank. The risk rating will be reviewed regularly during project implementation.

13. **Budgeting and accounting system.** The PIU will be responsible for the project's annual budget programming, implementation, and evaluation activities. The project's annual budget will follow the government budget structure and procedures, including a classification of project components/subcomponents/activities. The PIU will monitor the Project's budget using the Financial Management Information System (SIGEF) of the Ministry of Finance. The SIGEF/UEPEX module, which has embedded controls providing for efficiency and transparency in the management of external financing funds. The SIGEF/UEPEX system provides good ex-ante internal control framework, and it is considered adequate for accounting purposes. National accounting standards will be used for maintaining the project's accounting records. Government accounting is on an accrual basis, thus and if possible, UEPEX reports will follow this policy, otherwise cash basis reporting is acceptable to the World Bank.

14. **Financial Reporting, internal control, and auditing.** The project's proposed arrangements will use Cash Basis Accounting for the preparation of semi-annual interim financial reports (IFRs) and annual financial statements. IFRs will be prepared on a fiscal semester basis and will be submitted to the World Bank no later than 45-days after the end of each calendar semester as agreed in the POM. The internal control environment to be used for the project is anchored in the country's legal and institutional framework. The Comptroller General of the Republic (Contraloría General de la República, CGR) is the governing body of the DR Internal Control System. It is mandated by the Constitution to conduct ex-ante control and ex-post audits across central government, decentralized agencies, and public corporations, including this project. As for external controls, project annual financial statements will be audited in accordance with World Bank policy, under terms of reference and by an independent auditor acceptable to the World Bank. Project annual audited financial statements will be submitted to the World Bank up to six months after the end of the audited period and published.

15. **Disbursements, Flow of Funds, and Supervision.** The main disbursement method to be used for the Project is the Advance method. Project funds will be advanced into a designated dedicated account in dollars opened at the Central Bank to be managed by the MAP. In addition, an account will be established under the Treasury Single Account (TSA) concept in local currency for making payments of project eligible expenditures. The PIU will use Statement of Expenditures (SOE) in a format to be agreed with the World Bank to document eligible expenditures paid from advances to the designated account. The reimbursement and direct payment methods will also be available for the project and included in the Disbursement and Financial Information Letter. FM implementation support will include on-site and off-site supervision. On-site missions will be carried out at least once a year during the duration of project implementation. This frequency may be calibrated following assessed risk and project performance.



D. Strategy for Implementation Support

16. **A core World Bank technical team, including a task team leaders (TTLs) will provide hands-on support to implementing and participating agencies and coordinate with development partners (Table A1.2).** The World Bank project team will carry out at least two annual implementation support missions, either in-person or virtually. Technical missions will be carried out by technical team members as needed and led/supervised either in person or virtually by TTLs. In addition, local procurement staff will provide ongoing support and technical assistance.

Table A1.2. World Bank Implementation Support Team

Role	Staff Weeks Per Year
Task Team Leader	14
Co-Task Team Leader	14
Social Development Specialist	4
Environmental Specialist	2
Procurement Specialist	5
Financial Management Specialist	5
Technical Staff/Consultants	12

17. **A Mid-term Review will be carried out, at the latest, 36 months after the project’s effectiveness.** The review will assess in detail the progress toward meeting the PDOs as measured by the key performance indicators, as well as assess progress in the institutional and policy development areas that are supported by the project.



ANNEX 2: Economic and Financial Analysis

COUNTRY: Dominican Republic

Support for the Implementation of the Public Administration Reform and Modernization Plan

- 1. The cost-benefit analysis has been calculated over a project life of four years, with a 10 percent social discount rate.** The project's total cost is estimated to be US\$40 million, fully financed by the project. The economic net present value of the project is positive at a five percent discount rate (in line with World Bank guidance), with an IRR of 90 percent, with benefits from investments having a net present value of US\$43 million. The World Bank's economic analysis covers only those reforms and activities directly supported by the project, and summarized in the table A2.1. The main monetized benefits arise from: (i) time and travel cost savings for service users from simplified services; (ii) time savings for civil servants from transaction times that citizens now implement online; and (iii) time savings for civil servants from increased efficiency in internal administrative digital workflow systems.
- 2. Time savings for service users from expanded use of simplified, online services.** In 2019, the average citizen spent about 4.5 hours completing each government transaction (CNC 2019 Study). The project's support to the expansion of e-government services will reduce users' time spent in online transactions. The project is expected to increase the number of citizen users of digital services by over 2.3 million and the number of business users by 25,500. The project will also increase the number of citizens accessing services through low-cost face to face service centers around the country by over 200,000. The CBA assumes a conservative estimate of time saved per user of 1.4 hours (a 30 percent reduction, including travel time). The value of time savings for citizens is calculated based on the: number of users x minimum daily wage x number of days saved. The average minimum wage as of July 2023 was RD\$13,000 (US\$236) per month. The value of time savings for legal persons is conservatively estimated at twice the minimum wage.
- 3. Time savings for public officials from increased efficiency in internal administrative digital workflow systems.** The administrative efficiency improvements are calculated based on the economic savings because of improved systems workflow, management, and resilience. The project will improve, among others, workflow, registries, cybersecurity, and enhance protection of data by implementing modernized transversal management systems and platforms. This will ensure that information is standardized, available in a timely manner, reliable, and secure. The CBA assumes that administrative efficiency improvements will impact around 28,000 public officials. In the baseline analysis, the CBA takes a conservative approach by estimating that 70 percent of these intended beneficiaries reduce the time spent on workflow systems, and that such efficiency gain is about 1.6 percent of their total time. The latter is an aggregated average intended to be representative of all (central) public officials, based CNC data on efficiency gains from better workflow systems. The savings are again calculated as the monetary value based on a representative public employee wage.
- 4. Project Costs.** The project costs include the total investment costs of US\$40 million (in this case, assumed to be evenly distributed over the life of the project) and additional operating and maintenance costs for the project life. Maintenance costs are estimated at 20 percent of the software cost for the systems introduced by the project, as in similar CBA for digital projects.
- 5. Macroeconomic projections.** Assumptions regarding economic fundamentals are based on preliminary macroeconomic projections of the World Bank (through to 2025) projected out for the rest of the life of the project, adjusted by inflation at an average of 3.5 percent in US\$ terms.
- 6. Estimation.** The estimated impact of the project is distributed over a ten-year period using an integration scale which assumes that PDO are progressively achieved and, as such, benefits accrue at the beginning of the project period and then progressively increase towards project closing in 2027 and stabilize at the same value through to the tenth year



(2033). A 10 percent social discount rate is used to discount the annual flows of costs and benefits, reflecting the economic opportunity cost of capital in similar projects. An additional 10 percent contingency is factored in. Table A2.1 reflects the baseline scenario.

Table A2.1 Baseline Scenario of the Cost Benefit Analysis (US\$ million)

Economic Analysis: DR Project										
	Project Life				Returns (beyond project life)					
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
BENEFITS										
A. Time savings for users from service expansion	\$4.1	\$5.6	\$7.2	\$8.8	\$8.8	\$8.5	\$8.3	\$8.0	\$7.8	\$7.6
B. Time savings for civil servants from service expansion	\$1.5	\$3.0	\$4.8	\$6.7	\$6.7	\$6.5	\$6.3	\$6.1	\$5.9	\$5.8
C. Time savings for civil servants from increased efficiency	\$0.7	\$1.4	\$2.1	\$2.8	\$3.9	\$4.8	\$5.6	\$6.3	\$7.0	\$7.6
Total Benefits	\$6.3	\$10.0	\$14.1	\$18.3	\$19.4	\$19.8	\$20.1	\$20.4	\$20.7	\$21.0
COSTS										
Investment	\$10.0	\$10.0	\$10.0	\$10.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Operating and maintenance costs	\$0.0	\$0.0	\$0.0	\$0.0	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3
Total Costs	\$10.0	\$10.0	\$10.0	\$10.0	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3
NET BENEFITS (discounted, 10% contingency)	(\$4.1)	\$0.0	\$3.7	\$7.5	\$17.2	\$17.6	\$17.9	\$18.2	\$18.4	\$18.6
NET PRESENT VALUE (NPV)	\$43									
INTERNAL RATE OF RETURN (IRR)	90%									

7. **Sensitivity Analysis.** Results of the sensitivity analysis demonstrate that the project has a positive net present value under different scenarios. The sensitivity analysis considers three types of varying parameters: (i) variation in the number of beneficiaries; (ii) variation in the amount of time saved due to digital government services; and (iii) currency devaluation at year two and another at year six of the project. The analysis shows that even when using reducing the number of new users by half, and reducing the assumed time saved by half as well, and even simulating a currency devaluation of 10 percent in both year two and year six, the project remains viable (See Table A2.2 for details).



Table A2.2 Sensitivity Analysis of the Cost Benefit Analysis

Conservative Scenario: 50% of new users						
	Time Saved	Devaluation	Time Saved	Devaluation	Time Saved	Devaluation
	1.0 hr	10% (x2)	1.4 hr	10% (x2)	1.8 hr	10% (x2)
NPV	\$2.3		\$10.5		\$18.5	
IRR	13%		23%		35%	
Baseline Scenario: 100% of new users						
	Time Saved	Devaluation	Time Saved	Devaluation	Time Saved	Devaluation
	1.0 hr	0%	1.4 hr	0%	1.8 hr	0%
NPV	\$25.0		\$42.6		\$56.0	
IRR	45%		90%		166%	

8. **Unmonetized Benefits.** In addition to these quantifiable benefits, the expansion of digital administrative services and improvements in efficiency are expected to generate benefits that cannot be easily monetized, including second order effects: enhanced transparency to build trust in public institutions, improvements in women’s and vulnerable groups’ access to digital administrative services; improvements in the penetration of digital financial services; and improved business continuity due to the automation of the selected public services and digitalization of critical government records (which is expected to reduce the risk of losing sensitive documentation that have intrinsic economic value); reduced environmental costs (including reduction in greenhouse emissions due to travel savings).